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Bush, Dropping Pledge, Calls For Tax Rises to Cut Deficit

By Dan Balz
Washington Post Service

WASHINGTON — President George Bush abandoned on Tuesday his 1988 campaign pledge not to raise taxes, saying that "tax revenue increases" must be part of an overall package to reduce the federal budget deficit.

The statement marked the most significant policy reversal of Mr. Bush's presidency and represented a political gamble by the president, who has been warned by members of his own party that the acceptance of new taxes in the budget package erases what has been a clear advantage for Republicans in recent elections.

Mr. Bush's statement followed a two-hour meeting at the White House with congressional leaders that was designed to jump-start the stalled budget negotiations.

Although Mr. Bush's short statement did not provide details on taxes, Democrats immediately hailed it as presidential acceptance for a tax increase.

"The president has concluded that tax increases are necessary, and we share the president's view," said the Senate majority leader, George J. Mitchell of Maine.

Mr. Bush said in a three-paragraph statement: "It is clear to me that both the size of the deficit problem and the need for a package that can be enacted require all of the following: entitlement and mandatory program reform; tax revenue increases; growth incentives; discretionary spending reductions; orderly reductions in defense expenditures, and budget process reform."

Mr. Bush said the bipartisan leadership agreed with him that all of the components were necessary to assure that a budget package "is enforceable and that the deficit problem is brought under responsible control."

In his acceptance speech at the 1988 Republican convention in New Orleans, Mr. Bush etched his opposition to new taxes into public consciousness with his "read my lips — no new taxes" pledge and continued to hold to that through the first 18 months of his presidency.

Asked Tuesday about the wisdom of that pledge, the White House press secretary, Marlin Fitzwater, said, "We feel he said the right thing then, and he's saying the right thing now."

Mr. Fitzwater refused to discuss specific tax increases that might be included in the budget reduction package, saying the details would be worked out by the negotiators.

"We are not willing to give it any definition," Mr. Fitzwater said of Mr. Bush's statement. "That's a matter for the negotiators."

Democratic congressional leaders who attended the meeting applauded Mr. Bush's statement but did not gloat.

"I don't think it's a matter of vindication" for Democrats, the House speaker, Thomas S. Foley of Washington, said. "It's really reflecting a consensus that already exists in many economic quarters, and regardless of parties."

But Mr. Foley made it clear that the Democrats believe a key campaign weapon for the Republicans has been neutralized.

"I think someone who is complaining about taxes being raised in the budget summit will have to complain against both parties and the president, if they wish to make that kind of complaint," Mr. Foley said. "But we're not going to go into these thinking that that's going to be the result."

Mr. Fitzwater said the administration hoped the negotiators could reach agreement on a budget package by the time Congress broke for its August recess. But he refused to discuss specific tax increases that might be included in the budget reduction package, saying the details would be worked out by the negotiators.

"No specific measures were discussed and there is no agreement with respect to any specific measures," Mitchell said at a Capitol Hill press conference shortly after the meeting with Bush.

Mr. Bush and key aides met with Mr. Foley and Mr. Mitchell as well as with the House majority leader, Richard A. Gephardt of Missouri; the Senate minority leader, Bob Dole of Kansas, and the House minority leader, Robert H. Michel of Illinois.

The White House chief of staff, John Sununu, Treasury Secretary Nicholas F. Brady and the director of the Office of Management and Budget, Richard Darman, formed the rest of the administration team.

The meeting grew out of a series of private talks that began last week when it became clear to both sides that the budget negotiations were languishing. Mr. Gephardt said Tuesday that the talks would resume Wednesday.

Deficit estimates have substantially increased since Mr. Bush unveiled his proposed 1991 budget in January, and the deficit may total more than $200 billion in the next fiscal year.

Until now, when asked whether he would accept higher taxes, Mr. Bush and his aides have said that they have stopped using his campaign pledge of "no new taxes."

The fiscal 1991 budget Mr. Bush unveiled in January contained $19.7 billion in new taxes, user fees and other revenues. Some congressional leaders have complained throughout seven weeks of budget negotiations that the amount was insufficient to take a serious bite out of the deficit.

The Gramm-Rudman law will trigger widespread spending cuts on Oct. 1 — the start of fiscal 1991 — unless the gap is kept to $74 billion or less.

Andrea Teich/The Associated Press

Bonn Tries to Smoothe East German Concern on Economic Union

An East Berliner pushing a shopping cart past empty supermarket shelves Tuesday. East Germans, worried that currency union with West Germany on Sunday will cause prices to rise, cleaned out stocks of less-expensive food produced in their country. In a speech in East Berlin, the West German finance minister, Theo Waigel, warned against those who are predicting a wave of economic problems as the Deutsche mark becomes the official currency of East Germany. Page 2.

EC Backs Aid to Soviets

But Leaders Call A Special Summit To Set the Terms

By Leigh Bruce
International Herald Tribune

DUBLIN — The European Community agreed in principle Tuesday to provide economic aid to the Soviet Union but declined to endorse an immediate $15 billion package.

The 12 EC leaders decided instead to hold a special summit meeting in late October to refine the aid project as well as its plans for political union, a senior official said.

At British insistence, the decision on the Soviet aid plan was postponed for more study. France and West Germany had strongly supported an immediate injection of $15 billion in aid.

Cheney ties U.S. aid to more cuts in Soviet arms. Page 7.

The EC leaders also endorsed a stronger role for the Conference on Security and Cooperation in Europe, which brings together the states of Eastern and Western Europe plus the United States and Canada, "in the future architecture of Europe."

But they did not back the West German vision of placing the conference at the center of a vast new security structure.

Instead, they called for more frequent meetings of the conference's heads of government and foreign ministers and the establishment of "a small administrative secretariat" to support the more frequent meetings.

Though West German spokesmen said that Chancellor Helmut Kohl was pleased with the outcome on aid to the Soviet Union, some sources said he was deeply disappointed.

He is said to have argued that aid to the Soviet Union would be far cheaper today than it would be if the Soviet economy collapsed.

There was speculation that Bonn's partners did not go along with its wishes for a quick and substantial package of aid to demonstrate that they would not be pushed into a quick decision against their will.

But other European officials denied this, and said that all participants supported the principle of aiding the Soviet Union and that most backed immediate action.

Yet the commission president, Jacques Delors, did not seem far from the consensus when he said that "it is not by an injection of credit that the Soviet Union will solve" its severe structural problems.

"For us — both France and Germany — the key objective was to entrench the principle of EC aid to the Soviets," a French spokesman said. "We are both happy with the result."

According to Mr. Delors, there is no chance that the community will

See EC, Page 2

Communist Party, Split, Debates Delay of Critical Congress

By Bill Keller
New York Times Service

MOSCOW — The Soviet Communist Party is debating whether to delay its critical national congress next week as a way of restraining a conservative uprising that already is driving disenchanted liberals from the party.

Boris N. Yeltsin, president of the Russian Republic, said Tuesday that the party's governing Central Committee would consider a postponement when it meets later this week to prepare final details of the congress, now scheduled to open next Monday.

Other party officials and journalists said the odds were against a postponement, which would constitute a remarkable admission of internal crisis in the party.

President Mikhail S. Gorbachev has said nothing in public about favoring a delay, but an Estonian press agency reported that Vadim A. Medvedev, a close aide of Mr. Gorbachev's, had sounded out party leaders in that republic about postponing the event.

Mr. Yeltsin, who is part of the 250-member Central Committee, said that some in the party wanted time to regroup and let tempers cool following the triumph of hard-liners at the founding congress of the Russian Republic Communist Party last week.

In the aftermath of that event, disenchanted liberals have begun to turn in their membership cards in growing numbers, and whole party organizations are debating whether to quit en masse.

Leaders of the new party said that membership would be automatic for all Soviet party members living in the Russian Republic, the largest of the country's 15 republics.

In Moscow, Communists at the popular weekly newspaper Literaturnaya Gazeta, Radio Moscow and several major scholarly institutes have protested the hard-line tenor of the Russian party and demanded that their dues be withheld, and many

See SOVIETS, Page 2

Moscow Struggling With Foreign Debt

Washington Post Service

MOSCOW — The Soviet Union is struggling to pay more than $2 billion owed to foreign creditors, the Soviet Foreign Ministry spokesman, Gennadi I. Gerasimov, said Tuesday.

Foreign companies have been complaining for months that the Soviet Union has not been paying its bills for imported goods, and some foreign experts say the foreign debt is around $8 billion.

In the past, the Soviet Union had been a reliable creditor. But a new decentralized system allowing direct imports and exports with foreign companies has caused confusion, rising debt and anger among the foreign companies.

"We're experiencing some commercial difficulties now," Mr. Gerasimov said. "Our perfectly immaculate record on the external market of always paying our debts is now under question."

Despite the debt, Mr. Gerasimov said, the Soviet Union required even more foreign loans.

WORLD CUP GRANDSTAND

England 1
Belgium 0

England capped a night of surprises when, late in overtime, David Platt scored his first goal of the tournament. England's main threat, Chris Waddle, in photo, hurdled Bruno Versavel but was otherwise grounded.

Yugoslavia 2, Spain 1

The second of Dragan Stojkovic's two goals, scored in overtime, ousted the heavily favored Spaniards and put the Yugoslavs into the quarterfinals for the first time since 1962.

Saturday Quarterfinals:
Argentina vs. Yugoslavia, 1500 GMT
Italy vs. Ireland, 1900 GMT
World Cup report: Pages 18, 19

Santiago Lyon/Reuters

$20 Million Bridge for Trump

Now Bankers Are Calling Developer's Bankruptcy Shots

By Lawrence Malkin
International Herald Tribune

NEW YORK — Donald J. Trump's bankers bailed him out Tuesday with a $20 million bridge loan to prevent the collapse of his real estate and casino empire that symbolized the greed and glitz of New York in the 1980s.

The money will meet overdue interest payments due on two junk bonds issued by his Trump Castle Casino in Atlantic City. Failure to pay could have brought on a default, forcing the banks to scramble for whatever they could salvage from the overvalued properties that served as collateral.

In accepting the money, Mr. Trump in effect comes under his creditors' close financial tutelage.

The humiliation did nothing to dampen his appetite for publicity. Mr. Trump telephoned journalists to say that he had "a five-year deal with the banks at good interest rates, and I will have to accept some limitations on my lifestyle."

At some point, he said, he might have to sell off some properties, but would not say which.

The high-rolling developer's game of buying properties and boosting their value with his personal machine of redecoration and publicity has been suspended.

The banks have already put tight controls on real estate lending in New York, accentuating the slowdown in the property market.

"Donald Trump is the focal point for a deterioration in real estate values that now is public enemy No. 1 for U.S. commercial banks," said James McDermott, chief of research for Keefe Bruyette, the leading firm of bank stock analysts.

He forecast that banks will be further squeezed this year as they set aside money for bad real estate loans and put up more cash to keep other troubled developers afloat.

Mr. Trump's bankers said they needed an additional 30 to 60 days to tie up a five-year package of $65 million in new loans and deferments of $850 million in repaying principal on Mr. Trump's $2 billion bank debt.

This is the key to a five-year restructuring program that the banks hope will cut their losses as real estate values turn back up and they sell off the Trump properties.

Throughout more than six weeks of negotiations between Mr. Trump and bankruptcy lawyers representing mainly Chase Manhattan, Citibank, Bankers Trust, and Manufacturers Hanover, Mr. Trump's representatives have often stood aside as these money-center banks pressured regional banks not to seize their casino collateral and foreign lenders to agree to put up more money.

The regional banks were first talked out of declaring bankruptcy on the argument they would be better off waiting until the Trump properties regained value. Japanese and German banks asked the New York banks to buy out their lesser shares, but the lead banks refused.

The last holdout was Germany's Dresdner Bank, which holds part of Chase's $75 million mortgage on the Trump Tower in Manhattan.

"No one will be bought out," one New York banker said Tuesday. He said the banks would go ahead without Dresdner, although he declined to say how its share would be made up if it refused to yield to pressure.

As part of the deal, bankers said, Mr. Trump will be limited to a personal budget of $450,000 a

See BAILOUT, Page 14

Fang Ruling Linked to China Trade

By David Hoffman
Washington Post Service

WASHINGTON — China's decision to release the dissident Fang Lizhi and his wife, Li Shuxian, was motivated partly by a desire to win most-favored-nation trading status from the U.S. Congress and persuade Western democracies to lift economic sanctions, according to administration officials.

They said President George Bush would probably agree to put the issue of lifting the China sanctions on the agenda of the economic summit meeting in Houston in July, where leaders of the seven major industrial democracies will also debate aid to the Soviet Union. Japan is expected to take the lead in pressing for renewed Western investment in China.

Mr. Fang's release on Monday, in which Ambassador James R. Lilley served as an intermediary, was hailed by the White House and congressional Democrats, but they also criticized Beijing for continued repression of human rights.

The White House spokesman, Marlin Fitzwater, said, "This humanitarian action is a farsighted, significant step that will improve the atmosphere for progress in our bilateral relations."

Mr. Fitzwater said the United States had made this statement available to China in advance.

The Senate majority leader, George J. Mitchell of Maine, applauded Mr. Fang's release but said he remained concerned "about the lack of freedom available to millions of his fellow citizens."

Mr. Mitchell said he would con-

See FANG, Page 2

Kiosk

Zambians Put Riot Toll at 14

LUSAKA, Zambia (Reuters) — The Zambian government imposed a nightly curfew Tuesday to quell food riots in the capital, as hospital sources said the death toll from two days of disturbances climbed to 14.

The sources said 150 people had been treated for wounds, mostly from gunfire. Rioters attacked at least two police stations, burned military vehicles and looted shops in several areas.

McEnroe Is Upset

WIMBLEDON, England — Derrick Rostagno upset John McEnroe at Wimbledon on Tuesday, his earliest exit since 1978. Four other men's seeds also were upset, including Tim Mayotte and Andrés Gómez. Page 21.

General News

Turkey has been suffering an identity crisis with its loss of NATO leverage. Page 7.

Nelson Mandela, before a rapt audience in the House, asked for continued support. Page 2.

Business/Finance

Dai-Ichi Mutual Life agreed buy a 10 percent stake in Lincoln National Corp. Page 13.

Special Report

Sweden suddenly finds itself in a debate on the heart of its traditional foreign policy — neutrality. Pages 9-11.

Crossword Page 8.

Dow Close	The Dollar In New York	
2,842.33	DM	1.883
Down 2.72	Pound	1.7423
	Yen	154.675
	FF	5.581

A Princess-to-Be Via Philadelphia Melts Japanese

By David E. Sanger
New York Times Service

TOKYO — The student dining hall at Gakushuin University was bubbling with lunchtime chatter the other day when a student in a simple print dress dropped in to pour herself some tea.

As she smiled shyly to a few friends, a hush spread through the room until a young woman, abandoning years of training in Japanese decorum, gasped, "It's Kiko-san!"

These days, Kiko Kawashima's appearances stir whispers of recognition, squeals of delight and sometimes even screams. At 23, she is unquestionably Japan's most famous graduate student, but not for her work in social psychology.

On Friday, in the country's biggest imperial wedding in more than 30 years, she is to marry Prince Aya, the second son of Emperor Akihito and Empress Michiko.

And although Japan has not permitted itself the kind of flamboyance that surrounds royal weddings in Britain, the country is indulging in a good bit of Kiko-mania.

Since last summer, when the couple interrupted the official mourning period for Emperor Hirohito to announce their engagement, high school girls have taken to cutting their hair Kiko-style and imitating her polite smile.

Cameras follow her to bowling alleys and on her daily jogs around the leafy Gakushuin campus. Newspapers print room-by-room diagrams of the simple two-story Western-style house where the newlyweds will live on the grounds of the Akasaka Palace in central Tokyo. Out back, the 24-year-old prince is building a pond to pursue his interest in catfish.

The nation's fixation with her is a bit embarrassing. Miss Kawashima allowed the other day as she stopped by a table in the university dining hall where her father, Professor Tatsuhiko Kawashima, was eating with guests.

"Every life is accompanied with an unpredictable portion," her father said. But his concerned look suggests that in recent weeks life may have turned a touch more unpredictable than he might have liked.

In a country that seems eager to see the imperial family shed its remoteness, the press has rejoiced in the Kawashimas' middle-class life.

Though the point is seldom emphasized, the future princess is as much a product of Philadelphia, where she lived for six years while her father studied and taught at the University of Pennsylvania, as she is of Tokyo.

She has spent a third of her life outside Japan. Miss Kawashima speaks accentless English, the imprint of a childhood watching "Sesame Street" and "Mr. Rogers' Neighborhood."

Some of Miss Kawashima's contemporaries say the future princess may be a symbol of a new generation of Japanese who seem increasingly adept at bridging two worlds: the traditional one, where obligations are handed down, and the newer one, with a foot planted firmly in the West.

It is a challenge that she has grappling with since the age of 6. "When she came back to Japan, she could not understand Japanese, except as spoken by her family," her father recalled.

Speaking Japanese, Miss Kawashima seems indirect and modest; in English, she assumes a bolder personality, with candor and humor.

"We have been very influenced by the U.S. culture," Professor Kawashima said of his family, reflecting on how the family's years in the United States and then Vienna affected them.

Miss Kawashima has repeatedly said that she wants to finish her master's degree, if circumstances permit, something that only a generation ago would have been unthinkable for a Japanese princess.

"Prince Fumihito likes to study catfish," she said the other day, using the formal title for the prince, whom she has dated for five years. "And I like to study people and cognition."

Rapt U.S. Congress Hears Mandela Plea For More Support

By Tom Kenworthy
Washington Post Service

WASHINGTON — Nelson Mandela, speaking to an enthralled joint session of Congress on Tuesday, urged the United States to join him in forming "a solid phalanx against racism" to "transform South Africa into a united, democratic and nonracial country."

Portraying the effort to "expunge apartheid racism" from South Africa as a continuing struggle that is now at a critical stage, Mr. Mandela appealed to Congress to keep economic sanctions in place against Pretoria and to send financial assistance to his African National Congress.

In remarks that underscored his candor during this U.S. tour, the South African nationalist leader warned that the drive for political and economic liberty may require further armed struggle and government intervention in some sectors of the South African economy.

Mr. Mandela's evocative address marked the third time in U.S. history that a foreign private citizen had spoken at a joint congressional session. It provoked an emotional response. He was interrupted with applause 19 times during the 35-minute speech, and several times the lawmakers, cabinet officers, diplomats and celebrities in attendance rose to give him thunderous standing ovations.

"Our country, which continues to bleed and suffer pain, needs democracy," he said. "Let us keep our arms locked together so that we form a solid phalanx against racism to ensure that that day comes now. By our common actions let us ensure that justice triumphs without delay."

Although the African National Congress deputy president's understated eloquence stirred some lawmakers less than they had hoped, the occasion of his visit to Congress was a compelling enough event in itself, they said.

Mr. Mandela began his day at an emotional breakfast with the 23 members of the Congressional Black Caucus, at which he thanked the black lawmakers for their support for the anti-apartheid movement.

"This has been an extraordinary day," said the caucus chairman, Ronald V. Dellums, Democrat of California, calling Mr. Mandela a "magnificent black man, a magnificent African."

Yet Mr. Mandela's visit to the legislative chamber in which Congress first directed that the United States impose economic sanctions against South Africa also stirred some controversy.

His insistence in his speech that "equality, liberty and the pursuit of happiness are fundamental human rights which are not only inalienable but must, if necessary, be defended with the weapons of war" disturbed some lawmakers.

"Who is the real Nelson Mandela?" asked William S. Broomfield of Michigan, the ranking Republican on the House Foreign Affairs Committee. "The man who was canonized in New York and Boston? Or the man who 'calls Yasser Arafat a 'comrade in arms?'"

Some of the most liberal and the most conservative House and Senate members pointedly declined to attend the speech. Many cited Mr. Mandela's remarks last week in New York, in which he refused to abandon support for Mr. Arafat, leader of the Palestine Liberation Organization, or for the Libyan leader, Moammar Gadhafi, and the Cuban president, Fidel Castro. Mr. Mandela said he backed them because they had backed the anti-apartheid movement.

One who stayed away was William H. Dannemeyer, Republican of California, who earlier said it was a "national disgrace" to invite Mr. Mandela to address Congress. He compared the South African to Willie Horton, a black convicted murderer whose case George Bush used to target Michael S. Dukakis's failure during the presidential campaign.

"I think it would be hypocritical of me to go and applaud this man," said Jesse Helms, Republican of North Carolina, in explaining his absence. Several other conservative Republican senators also stayed away.

Ira Schwarz/Reuters

Mr. Mandela greeting his audience Tuesday in the House of Representatives. He was flanked by the House speaker, Thomas S. Foley, left, and Robert C. Byrd, president pro tempore of the Senate.

Bonn Seeks To Soothe East's Jitters On Economy

By Henry Kamm
New York Times Service

BERLIN — The West German finance minister warned Tuesday against those who predict a wave of bankruptcies and mass unemployment following the introduction of the West German currency in East Germany on Sunday and the formal end of that country's centrally planned economy after 45 years.

But the minister, Theo Waigel, conceded that no one could forecast the effects of the economic, currency and social union between the two Germanys that will move the formerly Communist country close to full unification with West Germany.

At an East Berlin news conference, Mr. Waigel called the union "a milestone in German history in this century.

"It is a central question of economic reunification how enterprises will manage the transition from a planned to a market economy," he said at the annual meeting of directors of West German companies in which the government is a shareholder. The meeting was held for the first time in East Berlin.

"There is no example for a change of system from a centrally planned economy to a decentralized market economy, and any prognosis about the development of production and employment is therefore pure speculation," he added.

"But when forecast is ruled out, one should admit it and not go about the country with gloomy prognoses about a wave of bankruptcies and the throwing onto the labor market of millions of workers."

Leftist parties, particularly the successor to the former ruling Communists, the Party of Democratic Socialism, have found a considerable popular echo with such predictions.

Many East Germans approach the Sunday of transformation uncertain about which sentiment is stronger in their hearts — satisfaction about the opportunities arising from conversion to a Western economy and being paid in a currency accepted throughout the world or disquiet over the vanishing of the certainties of a modest but secure living afforded by low wages buttressed by fixed prices and rents and inadequate but cost-free social services.

Mr. Waigel offered the encouragement of the most conservative wing of a government committed to faith in the capacity of free enterprise to create a good life for most. In Chancellor Helmut Kohl's coalition cabinet, he represents the Bavarian Christian Social Union.

"He who believes he can do it, he who as an entrepreneur bets on investment, he who as a worker bets on retraining and continued professional education need not fear for his future," the minister said.

"In a country like the German Democratic Republic, which meets the same basic conditions for economic success as the Federal Republic, and in which really there is no lack of industrial experience and education, everyone has a chance who tackles it courageously."

Mr. Waigel warned against demanding "drastic wage rises" and calling for strikes. "He who receives more than he merits by his productivity lives at the expense of others and pays in the end with loss of his job," he said.

Because East German wages are significantly lower than in West Germany, many here fear that they will not be able to meet the increased cost of living that economic reunification is certain to bring.

Mr. Waigel said he was confident that the Trusteeship Institution, which has been formed by the East German government to function as owner of the multitude of enterprises nominally owned by "the people" during the period of privatization, would do its utmost "to preserve as many jobs as possible" and quickly create new ones.

"I see risks and chances," he said.

WORLD BRIEFS

Dozens Dead in Sri Lanka Massacre

COLOMBO (AFP) — Security forces have massacred dozens of Tamil youths in Kalmunai, in eastern Sri Lanka, townspeople said Tuesday.

Officials and local residents said the victims were thought to be members and supporters of the Liberation Tigers of Tamil Eelam, the guerrilla group. An army officer quoted a local man as saying that at least 50 bodies were left in the predominantly Muslim town after security forces seized it during the weekend.

Guerrillas, meanwhile, resisted attempts by the army and air force to end the siege of a major army camp in Jaffna, in the far north, military sources said. The government used bombers and a helicopter gunship to pound residential areas around Jaffna Fort, where 270 soldiers and policemen were besieged.

French Conservatives Form Alliance

PARIS (AP) — France's two main opposition parties decided Tuesday to form a political federation and present a single candidate in the next presidential election.

The alliance between the conservative Rally for the Republic party and the center-right coalition, the Union for French Democracy, will avoid "fratricidal battles" in the 1995 presidential election, said former Prime Minister Jacques Chirac, leader of the Rally for the Republic.

Mr. Chirac and former President Valery Giscard d'Estaing, head of the Union for French Democracy, said the confederation, to be called the Union for France, would not make any deals with the extreme-right National Front or with the governing Socialist Party.

London Art Market: Major Collapse

LONDON (IHT) — Only a quarter of Impressionists and modern masters offered — 39 out of 69 paintings and sculptures — were sold at Sotheby's on Tuesday in the worst blow to the London art market since the 1981-82 slump.

All the schools represented in the auction, from 19th-century Impressionists to 20th-century masters like Picasso, Matisse, Braque, Duphy, Moore and Max Ernst were affected. The total value of the Sotheby's sale was £17 million ($29 million).

Lord Gowrie, chairman of Sotheby's, said: "We shall pick ourselves up and learn from this. With the wisdom of hindsight, the estimates which were negotiated during the winter were not conservative enough. We slightly suffered at the end of a not terribly successful line this week." The Paris sales the week before were equally disastrous, with huge buy-in percentages.

Iliescu Expects Violence to Continue

BUCHAREST (Reuters) — President Ion Iliescu said Tuesday that he expected more violence in Romania, and a trade union called a mass protest in Brasov for Thursday in a new challenge to the government.

Mr. Iliescu, in a speech to Bucharest's diplomatic corps broadcast on television, dismissed opposition accusations that the government had been behind what he called recent "acts of provocation and violence." Six people died in the violence, which began when the police broke up an anti-government demonstration that began seven weeks ago.

Washington boycotted Mr. Iliescu's inauguration as president last week to protest his use of miners to quell the unrest of June 13 to 15, and the European Community has delayed delivery of nonhumanitarian aid.

Liberians Call for Doe's Resignation

MONROVIA, Liberia (Reuters) — Thousands of Christians and Muslims, some shouting for the resignation of President Samuel K. Doe, marched past soldiers in Monrovia on Tuesday, waving palm fronds for peace in Liberia's civil war.

It was the first time Liberians had openly called for Mr. Doe to step down to help end a six-month war that has brought rebels to within striking distance of the capital.

Church leaders, who organized a peace march, had urged followers not to challenge Mr. Doe. But as the gospel singing crowds surged down the hill into Monrovia, they broke into chants of "Step down Doe!" and "Samuel Doe, you gotta go!"

Ethiopia Asks a Full Mobilization

ADDIS ABABA, Ethiopia (Reuters) — Parliament has called for all-out mobilization to meet a growing threat from rebel forces that have dealt heavy blows to government troops in recent weeks.

Ending its current session Monday night, the legislature adopted a resolution calling for "nonstop recruitment" and the "call-up of retired security personnel to help the war effort."

Rebels have virtually cut off a government army of 120,000 outside Asmara, capital of the Red Sea province of Eritrea. Another rebel linked to the Eritrean People's Liberation Front has launched an offensive north of Addis Ababa.

Gunmen Steal $10 Million in U.S.

ROCHESTER, New York (AP) — More than $10 million was stolen by gunmen Tuesday during an armored car robbery, the authorities said. The theft appeared to be the second largest of its kind in U.S. history.

The amount stolen was $10.8 million, according to law enforcement sources. There were no injuries. The gunmen took over the van when the two employees stopped at a delicatessen in Henrietta, a suburb of Rochester in upstate New York.

The FBI's public affairs office in Washington said its records indicated that the largest theft from an armored car in the United States was $11 million taken in 1982 in New York City.

Shevardnadze Rebukes 'McCarthyites'

By David Remnick
Washington Post Service

MOSCOW — Eduard A. Shevardnadze, the Soviet foreign minister, struck back Tuesday at military and conservative critics in the Communist Party for using what he called "McCarthyite" tactics and demanding to know, "Who lost Eastern Europe?"

Mr. Shevardnadze said he felt it was a moral duty to apologize to Eastern European governments for the "insulting" comments of some Soviet officials and military leaders who believe that the army had "captured them as military trophies" and that the Soviet Union should never have permitted the democratic revolutions of 1989.

At the conference of the new Russian Communist Party last week, speakers such as Yegor K. Ligachev, a Politburo member, and General Albert Makashov criticized the leadership for its tacit encouragement of the revolts in Eastern Europe. There will undoubtedly be more such criticism at the 28th Soviet Party Congress set to begin next week.

Speaking in a lengthy interview in the party newspaper Pravda, Mr. Shevardnadze said the implication of such charges by the critics was, "Why did we not use tanks for the restoration of order?"

He said the tactics of the conservatives in the Soviet Union were reminiscent of some Americans who began asking in 1949, "Who lost China?," and those of Senator Joseph R. McCarthy, who became notorious for his public hunts for communists in the U.S. government during the early 1950s.

"Is it possible that we really have learned nothing?" Mr. Shevardnadze said. "Have we forgotten the lessons of Afghanistan? Have we forgotten 1956 and 1968?"

Mr. Shevardnadze said it was "high time" that such conservatives "understood that neither socialism nor friendship nor good neighborly relations can be based on bayonets, tanks or blood."

"Relations with any country should be established on the basis of mutual interests and benefits and free choice," he said.

Mr. Shevardnadze dismissed as untrue charges that the leadership had decided to withdraw troops from Eastern Europe without consulting the Soviet military.

He also said the Soviet-U.S. treaty to eliminate intermediate-range nuclear weapons, despite disproportionate cuts, was a victory for the Soviet Union, and not "conciliation," as Soviet critics of the treaty have charged.

"For me it is an axiom: To exchange three SS-20s for two Pershings is fine," he said. "A Pershing would definitely heat up the General Staff building, but an SS-20 would not even be able to reach the Pentagon."

The principal weapons systems covered by the 1987 treaty were Soviet SS-20 rockets and U.S. Pershing-2s based in West Germany. The SS-20s had a range capable of striking any target in Western Europe, but could not reach the United States. The Pershings could have struck command and control centers in Moscow.

Mr. Shevardnadze excoriated the Soviet military for amassing huge stockpiles of chemical weapons when "no one else was doing this."

Now, he said, the Soviet Union, which is in the midst of a deep economic crisis, has to spend "at the very least" 3 billion rubles to destroy the weapons as part of new chemical arms agreements with the United States.

In a separate interview, Defense Minister Dmitri T. Yazov expressed concern about what he called the "contradiction" between the Warsaw Pact's evolution into a mainly political alliance and NATO leaders' insistence on retaining a strong military presence in Europe.

Gorbachev Meets Lithuanian Chief, More Moscow Compromises Hinted

Compiled by Our Staff From Dispatches

MOSCOW — The Soviet president, Mikhail S. Gorbachev, received Vytautas Landsbergis, the Lithuanian president, on Tuesday to discuss possible negotiations should the republic freeze its declaration of independence.

The 90-minute meeting was at Mr. Gorbachev's invitation, the Tass press agency said. It came as Lithuania's parliament met in Vilnius to consider declaring a moratorium on the March 11 declaration of independence.

Mr. Landsbergis said it was unlikely that there would be a vote Tuesday on a moratorium. "It is too complicated a question," he said.

Although progress had been made, he said that "Moscow has also not exhausted its possibilities for compromise." Mr. Landsbergis later returned to Vilnius for the debate on the moratorium, which has been recommended by Prime Minister Kazimiera Prunskiene.

"The proposed temporary moratorium could save our dignity and promote the solution of the accumulated problems," Tass quoted Mrs. Prunskiene as saying.

Lithuania has been under a Kremlin economic blockade since just after the declaration. Moscow has partly lifted the embargo by resuming 15 percent of Soviet natural gas shipments to a Lithuania.

Crude oil and gasoline shipments remain cut, and many Lithuanian businesses have closed, forcing thousands out of work.

The Lithuanian Council of Ministers, which Mrs. Prunskiene heads, accepted Mr. Gorbachev's proposal earlier this month. Mr. Landsbergis has been less inclined to compromise.

Mr. Gorbachev proposed the moratorium to enable him to open talks with the secessionist republic and to lift the embargo.

He appears to be seeking an agreement to keep Lithuania and its sister Baltic states, Latvia and Estonia, as republics in a reconstituted Soviet Union.

Mrs. Prunskiene and some Soviet officials have been seeking a resolution of the impasse. Her popularity has been rising rapidly among Lithuanians, compared with that of Mr. Landsbergis, according to a poll made public on Monday. Mrs. Prunskiene had a favorable rating among 61 percent of those surveyed; Mr. Landsbergis's rating has declined from 45 percent to 28 percent since the independence declaration, it said.

The poll was conducted by the Sociological Research Department of the Lithuanian Academy of Sciences and reported by Interfax, an unofficial news service of Radio Moscow. *(UPI, AP)*

■ No Baltic Arms Movement

The Soviet Union denied Tuesday that it was removing nuclear weapons from the Baltic republics and other sensitive regions, Reuters reported from Moscow.

"There is no need to move Soviet army units with nuclear weapons on Soviet territory," a Foreign Ministry spokesman quoted a Defense Ministry statement as saying. "Therefore there are no changes being made in the stationing of these units."

NATO sources said last week that nuclear weapons were being moved from the three Soviet Baltic republics, all of which have declared intentions to secede, and from Transcaucasia and Eastern Europe.

SOVIETS: *Delay Is Debated*

(Continued from page 1)

individuals said they would leave the Soviet party as well.

"When my wife and I went to turn in our party cards at our institutes, we got virtually identical reactions from our party secretaries," said Ernst M. Ametistov, a lawyer who works for an institute associated with the Ministry of Justice.

"They both said, 'We're thinking of doing that ourselves, maybe we should all quit together,' " reported Mr. Ametistov, a party member since 1967.

Mr. Yeltsin said he would stay in the party until the national congress, but would "suspend" or give up his party membership if it failed to take "a radical turn in the direction of reform."

That seemed unlikely, since more than half the delegates at the nationwide meeting will be holdovers from the Russian congress.

With the delegates already selected, it was not clear what liberals would gain by delaying the congress.

EC: *Aid for Moscow*

(Continued from page 1)

have specific proposals to put on the table at the meeting of the seven leading industrialized nations in Houston on July 9. But some action may be taken before the special meeting in October.

The 12 also adopted a common position on relations with South Africa. Prime Minister Charles Haughey of Ireland, the meeting's host, said the community was now prepared to relax sanctions on South Africa as soon as "further, clear indications of progress" toward dismantling apartheid was evident.

Prime Minister Margaret Thatcher of Britain expressed disappointment that the community had not decided to take the first steps toward lifting the sanctions in Dublin.

The final communiqué stated that the leaders "had agreed to intensify the process of transforming relations as a whole among member states into a European Union invested with the necessary means of action."

Though she had no objections to the document, Mrs. Thatcher reiterated that she was "not at all enamored with the idea of a federal Europe" and repeated her opposition to a single European currency.

Moreover, the 12 leaders presented their governments with an enormous menu of detailed work to be completed by the end of the year if their decisions are to take real form.

For example, though they started the clock running toward political union by setting a date, Dec. 14, for beginning an intergovernmental conference to negotiate the creation of federal institutions, they left it to their foreign ministers to figure out what political union means.

Mr. Mitterrand asserted that the process of political union must have a "federalist outcome," but he agreed with others that the community might have to settle for what is "achievable" initially, namely institutional change.

The leaders also set a date for the intergovernmental conference to negotiate treaty arrangements for economic and monetary union, Dec. 13. Although preparations for the talks, which all but the British expect to lead to a single currency, is well advanced, a great deal of detailed negotiation remains before the conference.

On aid to the Soviet Union, Mrs. Thatcher, with some support from Denmark, argued that the Community should not rush into a program that could amount to pouring money down a hole.

The European Community leaders ordered the commission to assemble a committee of experts from such international organizations as the International Monetary Fund, the newly established European Bank for Reconstruction and Development and the Organization for Economic Coordination and Development to study the structural needs of the Soviet economy.

FANG: *Release Linked to Trade*

(Continued from page 1)

tinue trying to block most-favored-nation trading status for China.

After a year as virtually a hostage in the U.S. Embassy in Beijing, Mr. Fang left for Britain after issuing a three-paragraph statement in which he declared his opposition to the Chinese Constitution, but promised to "refuse to participate" in anti-China activities.

Xinhua, the official Chinese press agency, said Mr. Fang had shown "signs of repentance," but Mr. Fitzwater said the dissident's statement "paralleled many of his public statements in the past."

Mr. Lilley had repeatedly raised Mr. Fang's case with Chinese officials. Former President Richard M. Nixon did the same during a private visit to China. He told China's leaders that it was a continuing obstacle to better relations, according to government officials familiar with the visit.

■ Fang Arrives in London

Mr. Fang said in London on Tuesday that he would continue to work for "progress and development" in China, wire services reported.

He and his wife, a physicist, arrived Monday night aboard a U.S. Air Force transport plane from Beijing.

"As citizens of China, we hope to do whatever we can in the future to help China's continuing progress and development," Mr. Fang, 54, said in a statement issued through the Royal Society in London.

The Royal Society, one of the country's oldest and most prestigious scientific organizations, invited the astrophysicist to Britain. He will be a senior visiting fellow at Cambridge University's Institute of Astronomy, the institute's director said. He worked at Cambridge 10 years ago for six months.

The British government said Tuesday that it had not imposed any condition of political silence on Mr. Fang. "He has entire freedom of speech," a spokesman for the Foreign Office said. *(AP, Reuters)*

■ U.S. Aide Goes to Beijing

L. Desaix Anderson, a deputy assistant secretary of state, arrived in Beijing on Tuesday for talks with Chinese officials, Reuters reported.

He is the most senior American official to visit China since the national security adviser, Brent Scowcroft, was in Beijing in December.

Hungary Votes To Pull Out of Warsaw Pact

United Press International

BUDAPEST — The Hungarian parliament voted unanimously on Tuesday in favor of withdrawing from the Warsaw Pact by the end of 1991.

The parliament, the National Assembly, approved a motion submitted a month ago by the Alliance of Free Democrats that binds the government to start negotiations with Warsaw Pact members on Hungary's withdrawal.

"The Warsaw Pact has no reason to exist any more," Deputy Foreign Minister Tomas Katona told the parliament.

Mr. Katona said the desired goal would be the dissolution of the alliance by a joint resolution. But if other members want to sustain it, Hungary would withdraw from the organization by the end of 1991 at the latest.

All six political parties represented in the parliament favored the proposal. The vote was 232 to 0, with 4 abstentions.

TRAVEL UPDATE

Spain opened a 35-kilometer expressway around Valencia on Tuesday, hoping to end traffic jams that enraged millions of tourists. The bypass, connecting with a superhighway to Murcia, south of Valencia, did away with an infamous traffic light that ended the freeway trip from the French-Spanish border. *(Reuters)*

Ecuador has suspended a license to build a luxury resort on the Galápagos Islands, whose unique varieties of wildlife draw thousands of visitors every year. A commission has been charged with designing an overall plan to develop tourism for the islands. The state tourism agency drew criticism from environmental groups last month after it granted permission to build a 200-room hotel in the capital, Puerto Baquerizo, about 1,000 kilometers (620 miles) from the mainland. *(Reuters)*

TWA will eliminate service to seven cities by October. Three of the airports to be cut off serve Madison, Wisconsin, and Freeport and Nassau, Bahamas, but the airline declined to reveal the others. *(Reuters)*

WEATHER

	HIGH C	HIGH F	LOW C	LOW F	
EUROPE					
Amsterdam	24	75	11	52	cl
Athens	35	95	25	77	s
Barcelona	29	84	18	68	sh
Belgrade	27	81	11	52	s
Berlin	24	75	17	63	s
Brussels	23	73	13	55	cl
Budapest	28	82	17	63	s
Copenhagen	22	72	10	50	cl
Costa Del Sol	25	77	18	64	s
Dublin	18	64	10	50	r
Edinburgh	18	64	10	50	sh
Faro	28	82	17	63	s
Florence	33	91	20	68	s
Frankfurt	27	81	12	54	s
Geneva	28	82	14	57	s
Helsinki	22	72	10	50	cl
Las Palmas	27	81	21	70	s
Lisbon	28	82	18	64	s
London	23	73	16	61	cl
Luxembourg	27	81	16	61	s
Madrid	34	93	17	63	s
Milan	30	86	19	66	s
Moscow	20	68	14	57	sh
Munich	27	81	12	54	s
Nice	29	84	24	75	s
Oslo	19	66	11	52	cl
Paris	23	73	17	63	s
Prague	24	75	14	57	s
Reykjavik	12	54	5	41	cl
Rome	30	86	21	70	s
Stockholm	23	73	14	57	cl
Strasbourg	28	82	13	55	s
Venice	28	82	19	66	s
Vienna	26	79	17	63	s
Warsaw	21	70	8	46	r
Zurich	27	81	13	55	s
MIDDLE EAST					
Amman	33	91	19	66	s
Cairo	36	97	22	72	s
Istanbul	32	90	18	64	s
Jerusalem	31	88	18	64	s
Tel Aviv	31	88	18	64	s
OCEANIA					
Auckland	—	—	—	—	na
Sydney	15	59	7	45	r

	HIGH C	HIGH F	LOW C	LOW F	
ASIA					
Bangkok	34	93	27	81	s
Beijing	34	93	22	72	s
Hong Kong	33	91	27	81	s
Manila	33	91	24	75	s
New Delhi	41	106	29	84	s
Seoul	31	88	23	73	s
Shanghai	34	93	28	82	s
Singapore	32	90	26	79	t
Taipei	33	91	27	81	t
Tokyo	32	90	24	75	s
AFRICA					
Algiers	32	90	23	73	s
Cape Town	17	63	8	46	s
Casablanca	25	77	20	68	s
Harare	28	82	11	52	s
Lagos	29	84	24	75	t
Nairobi	24	75	9	48	s
Tunis	31	88	18	64	s
LATIN AMERICA					
Buenos Aires	17	63	10	50	r
Lima	22	72	13	55	cl
Mexico City	22	72	14	57	r
Rio de Janeiro	—	—	—	—	na
NORTH AMERICA					
Anchorage	19	66	9	48	pc
Atlanta	27	81	19	66	t
Boston	21	70	14	57	t
Chicago	26	79	19	66	t
Denver	31	88	17	63	t
Detroit	29	84	17	63	t
Honolulu	30	86	24	75	s
Houston	34	93	24	75	t
Los Angeles	26	79	17	63	s
Miami	32	90	25	77	t
Minneapolis	32	90	21	70	t
Montreal	29	84	16	61	t
Nassau	33	91	26	79	t
New York	29	84	20	68	t
Phoenix	42	107	31	88	s
San Francisco	24	75	13	55	s
Seattle	22	72	14	57	cl
Toronto	28	82	17	63	pc
Washington	31	88	21	70	t

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

WEDNESDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Stormy. Temp. 22 — 16 (72 — 61). LONDON: Rain. Temp. 20 — 16 (68 — 61). MADRID: Cloudy. Temp. 37 — 17 (99 — 63). NEW YORK: Partly cloudy. Temp. 31 — 21 (88 — 70). PARIS: Stormy. Temp. 21 — 14 (70 — 61). ROME: Fair. Temp. 30 — 18 (86 — 64). TEL AVIV: Not available. ZURICH: Stormy. Temp. 23 — 14 (73 — 57). BANGKOK: Cloudy. Temp. 33 — 27 (91 — 81). HONG KONG: Fair. Temp. 33 — 27 (91 — 81). MANILA: Rain. Temp. 30 — 24 (86 — 75). SEOUL: Showers. Temp. 28 — 20 (79 — 68). SINGAPORE: Showers. Temp. 32 — 25 (90 — 77). TOKYO: Rain. Temp. 27 — 23 (81 — 73).

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AMERICAN TOPICS

Americans Looking Far Afield for Heroes

Americans are adopting foreign heroes these days. In recent months, Lech Walesa, Mikhail S. Gorbachev and Nelson Mandela have made triumphant U.S. tours that no domestic figure has equaled in years. The Los Angeles Times is moved to ask whether the American hero, like so many other things, is now an import.

Until recently, American heroes — George Washington to Dwight D. Eisenhower, Charles A. Lindbergh to John Glenn, Abraham Lincoln to Martin Luther King Jr. — were seen as embodying central aspects of the national character. A rare exception was Winston Churchill.

Now, a deep cynicism about public figures and institutions has developed in U.S. life, says David Riesman, the social historian. So Americans are gravitating to foreigners who seem to display courage, decisiveness and mastery of fate.

"There's almost gratefulness to these people for existing," Mr. Riesman said. "We still want to look up to people."

Daniel J. Boorstin, the former head of the Library of Congress, says the cult of celebrity and its attendant commercialization have drowned out the emergence of authentic home-grown heroes. Michael Jordan, the basketball player who is probably the best-known American athlete, is far more commercialized than Babe Ruth or Joe Louis ever were; perhaps because of his ubiquitous commercials, he is far less admired.

Short Takes

While casinos in Atlantic City, New Jersey, struggle with overbuilding and a weak economy in the northeastern United States, Las Vegas is in the third year of a casino-building boom. All the gaming houses are doing well, and a new one, The Excalibur, opened this week. Thus far, The New York Times reports, Atlantic City largely attracts day trippers with quarters for the slot machines, while Las Vegas has recast itself as a resort town fit for families who stay several days and spend money for entertainment as well as gambling.

Greyhound Lines Inc., the biggest U.S. bus company, has banned smoking on all but chartered buses. That goes beyond federal rules, which limit smoking to 30 percent of bus seats. Smoking is also now prohibited on all buses in eight states.

About People

Mary Metz has resigned as president of Mills College, seven weeks after her hesitant support for a now-abandoned proposal to admit men to the women's college in California, aroused such passionate opposition from students that the idea was dropped — providing that over the next five years the college can erase an annual deficit of $24 million. Mills's endowment had tripled to $72 million during her nine-year tenure, but the 53-year-old president said she could not commit herself to the five-year plan.

David Merrick, who has produced such Broadway hits as "Hello, Dolly," "Irma la Douce" and "Cactus Flower," has withdrawn from the London production of "Gold Diggers." Rehearsals were to start this week. Mr. Merrick said he had expected the show to cost £2 million (about $3.5 million), not a projected £3 million. "The tide has turned," he said. "It is now more expensive to produce a show in London than in New York."

Mark Leyner is rapidly acquiring a cult following on college campuses, The New York Times reports, with "My Cousin, My Gastroenterologist." His new book has been variously described as kinetic, unpredictable and surreal. A typical chapter heading: "I Was an Infinitely Hot and Dense Dot." Mr. Layner, 34, says he was gratified to learn through the family grapevine that his cousin, Larry Werther, a gastroenterologist, liked the book.

Arthur Higbee

Right-to-Die Ruling Dismays Ethicists

By Susan Okie
Washington Post Service

WASHINGTON — Medical organizations and experts on medical ethics have expressed dismay at the U.S. Supreme Court's ruling barring the parents of Nancy Cruzan from withdrawing the feeding tube from their comatose daughter, saying it interferes with the ability of doctors to help patients and families to make life-or-death decisions.

At the same time, they applauded the fact that the court, in the first right-to-die case it has considered, concluded Monday that an individual has a constitutional right to refuse medical treatment and that the definition of treatment can include food and water.

But because Miss Cruzan, who was 25 when she suffered the accident that left her in a coma, never wrote down her wishes regarding medical care, the court agreed with the Missouri Supreme Court that her parents lacked "clear and convincing evidence" that she would have wanted her treatment stopped.

Medical experts said that standard puts an intolerable burden on patients and families in states, such as Missouri, New York and Illinois, that require such evidence before allowing the withdrawal of medical care.

"It's a devastating opinion," said D. Joanne Lynn, a medical ethicist and associate professor at George Washington University Medical School in Washington. "Most of us will face an illness that, at some point in time, will interrupt our competence and require that someone else make decisions for us. That someone now has their hands tied."

But organizations for handicapped people and anti-abortion groups hailed the decision, saying it affirmed that the life of a patient who cannot speak for herself is as valuable as the life of one who can.

"No matter how profound a person's disabilities, he or she must not be deprived of the most basic care," said John Willke, president of the National Right to Life Committee.

The ruling means that the ability of doctors and family members to decide whether to withhold or withdraw treatment when a patient is comatose or terminally ill will vary enormously from state to state, depending on each state's laws and prior court decisions.

More than 40 states have laws allowing patients to specify their wishes in advance or to designate someone to make medical decisions for them if they become incompetent. But many of these states specifically exclude the right to refuse food and water from such living wills. And experts estimate that less than 5 percent of the adult population has made a living will.

The decision "leaves other states free to adopt less rigid rules" than Missouri, said John Pickering, a lawyer representing the American Academy of Neurology. "And this is where the battle must turn."

Representatives of the American Medical Association and other medical groups vowed Monday to push for new state laws that give more authority to doctors and family members to make decisions for patients who are medically incompetent. They said the ruling will also encourage more people to discuss their wishes with their doctors.

But experts said it may be difficult for people to write living wills specific enough to cover all contingencies. "I believe most people and most doctors still remain highly reluctant to talk about these matters," said Daniel Callahan, director of the Hastings Center for Medical Ethics in Briarcliff Manor, New York.

Others predicted that a major impact of the decision will be to increase enormously the cost of prolonged care for patients such as Miss Cruzan. Missouri is paying $130,000 a year for her care.

Nancy Dickey, a trustee of the American Medical Association, said that under the Missouri law it appears that hopelessly ill infants or mentally retarded patients, and all others not competent to make their own decisions, would apparently have to be kept alive as long as possible, whatever the cost.

What to Do To Draw Up A Living Will

New York Times Service

NEW YORK — Two groups in the United States that promote living wills provide forms for the preparation of the documents.

State laws differ on living wills, which instruct doctors and family members on how and when to end life-sustaining treatment. There is a form for each state.

Instructions for the forms, provided by Concern for Dying and the Society for the Right to Die, which are merging into the National Council on Death and Dying, include these steps:

- Living wills should be signed, dated and countersigned by two witnesses, preferably not friends or relatives who may become heirs.
- One copy should be kept with other important papers; other copies should be given to a physician to be included with other medical papers, to a close relative, and to a lawyer.
- The groups say that the forms are simple enough to be completed without the assistance of a lawyer. Of course, as with any legal matter, a lawyer can be consulted.

The groups, at 250 West 57th Street, New York, New York, 10107, provide forms at no charge, although donations are requested.

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Reform Rabbinate Admits Homosexuals

By Ari L. Goldman
New York Times Service

SEATTLE — Reform Judaism has voted for the first time to admit acknowledged homosexual men and women into its rabbinate.

The action places Reform Judaism among the handful of Christian and Jewish denominations that officially accept gay clergy.

Noting that other denominations were struggling with the issue, Rabbi Selig Salkowitz of Brooklyn, the head of the committee that drafted the policy, said, "Perhaps we as a conference will present a model that others can follow."

Approval, reached in Seattle on Monday at the 101st annual meeting of the Central Conference of American Rabbis, came in a voice vote after an hourlong debate that revealed deep divisions among the rabbis. They represent the largest branch of U.S. Judaism, with 1.5 million members.

The group resolved that "all rabbis, regardless of their sexual orientation, be accorded the opportunity to fulfill the sacred vocation which they have chosen."

But the Reform rabbis stopped short of giving equal validity to homosexual and heterosexual union.

"In Jewish tradition, heterosexual, monogamous, procreative marriage is the ideal human relationship for the perpetuation of the species, covenantal fulfillment and the preservation of the Jewish people," the rabbis said in the resolution.

As in other religious denominations, there are believed to be many clergy members who have not publicly declared their homosexuality, as well as some who serve openly in gay congregations.

The resolution, according to Rabbi Elliot Stevens, administrative secretary of the group, "validates and articulates the status quo."

Under the resolution, rabbis would be recommended for positions regardless of their sexual preference, although their new congregations would be free to reject them on that basis.

There has been no policy against homosexual rabbis, but the weight of biblical tradition has been against their open admission.

Among those who called for the defeat of the policy was Rabbi Philmore Berger of Oceanside, New York. He quoted Leviticus 18:22, which calls homosexuality "an abomination."

"To the best of my knowledge," Rabbi Berger said, "this verse has not yet been reinterpreted by any Jewish biblical scholars. How am I to deal with it?"

Modern culture, he added, is clamoring for the acceptance of homosexual activity. "But that does not mean that we as rabbis must approve that which the present culture proclaims," he said.

Rabbi Yoel H. Kahn of San Francisco was equally impassioned in pleading for approval. "I believe that our understanding of what God wants of us has changed," said Rabbi Kahn, who leads a congregation that has what he calls "a special outreach to gay and lesbian Jews."

"Change is always difficult," he said, "but we are serving God, the Torah and the Jewish people when we heed the prophetic call of our tradition."

More than a century ago, Reform Judaism rejected laws spelled out in the Bible on the preparation of food and on behavior during the menstrual period.

The decision was reached after a four-year study by a committee of 17 rabbis who explored Jewish teachings on homosexuality, scientific studies of sexual identity and the experience of Christian groups in dealing with the issue.

As a matter of national policy, only two groups, the Unitarian Universalist Association and the Reconstructionist movement in Judaism, accept homosexual clergy.

Individual bishops and churches of some Protestant denominations have ordained gay clergy, in violation of their national policies. These include the Episcopalians, the Presbyterians and the Lutherans. The United Church of Christ allows for ordination of homosexuals but leaves the decision up to its regional bodies.

The move was immediately condemned by spokesmen for Orthodox Judaism, which adheres to traditional Jewish law and considers the Bible the word of God.

Bush Bars Some Offshore Oil Exploration

The Associated Press

WASHINGTON — President George Bush on Tuesday barred new oil leasing off much of California and Florida, the North Atlantic coast, Washington and Oregon until after 2000.

"Further steps to protect the environment are needed," he said.

Mr. Bush also canceled government oil lease sales in an area south from San Francisco to Monterey Bay and said he would permanently block any drilling in a proposed marine sanctuary of 2,200 square miles (about 5,700 square kilometers) within that region.

But Mr. Bush said tracts in the Santa Maria Basin and Santa Barbara Channel would be available for consideration in 1996 if studies showed that the environment could be protected.

The coast of southwest Florida and more than 99 percent of the California coast will be off limits to oil and gas leasing and development until after the year 2000," Mr. Bush said.

He named a task force last year to study the environmental effect of opening the areas. It concluded that more study was needed.

The entire Florida congressional delegation and most of the California delegation have urged delays. Republicans were especially sensitive to political danger in an election year.

Talks on Euphrates Water

Agence France-Presse

ANKARA — Turkish, Syrian and Iraqi officials began a two-day conference here Tuesday aimed at ending a longstanding dispute on sharing the waters of the Euphrates River, the Anatolian News Agency reported.

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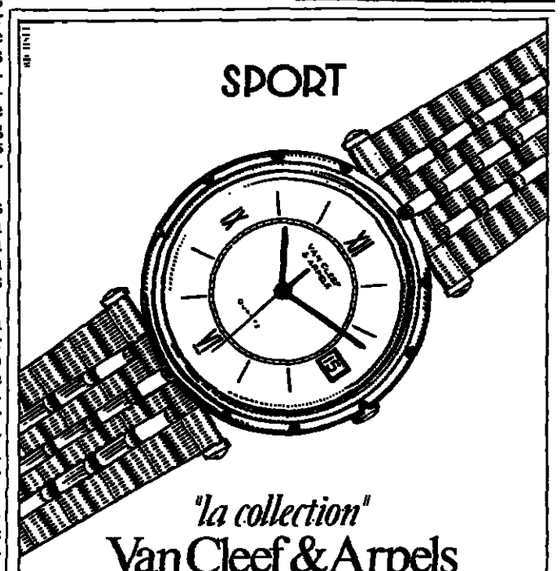

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Kidnappings Worry Rio Businessmen

By James Brooke
New York Times Service

RIO DE JANEIRO — The release of a prominent advertising executive after payment of a $2.5 million ransom has called attention to a wave of kidnappings that has frightened Rio's business executives.

The executive, Roberto Medina, is the owner of one of Rio's largest advertising agencies and was a planner of Fernando Collor de Mello's successful campaign for the presidency last year.

The secretary-general of Mr. Collor's National Renovation Party, Juca Colagrossi, reportedly negotiated Mr. Medina's freedom. The executive was seized June 6 as he left his office building in the elegant Lagoa neighborhood of Rio. He was released Thursday.

To bolster its demand for a $5 million ransom, the kidnappers sent the Medina family a videocassette. It showed the hostage kneeling shirtless on the floor with a dog collar around his neck and the barrels of two pistols and a machine gun trained on his head.

The brother of a congressman, Mr. Medina is widely known in Rio as a music promoter. In 1980, he arranged for a performance here by Frank Sinatra. In 1985, he staged a huge festival, Rock in Rio.

Mr. Medina is the most prominent of 21 businessmen and children of businessmen who have been kidnapped here in the last 10 weeks. Last year, 15 kidnappings were reported in Rio.

Ransoms paid this year in Rio reportedly amount to $15 million.

With much talk about the dangers of kidnapping, security agencies have reported a doubling of requests for private guards. Last week, an enterprising São Paulo publisher released a book on anti-kidnapping techniques for executives.

The Rio newspaper Globo lamented "the radical change in recent months in the lives of many Rio businessmen who now go accompanied by guards and who shun publicity surrounding their names."

Although it noted that "Americans are not specifically targeted," the United States Consulate General in Rio sent a four-page security memorandum this month to American organizations, advising them on how "to minimize the risk of kidnappings."

Brazilians offer several theories about the wave of kidnappings.

Some say they suspect the cocaine traffickers, who, like most depositors, had their bank accounts frozen on March 16 under Mr. Collor's anti-inflation program.

Many say the Red Falange, one of the most violent gangs, learned kidnapping techniques when its members were jailed alongside urban guerrillas in the 1970s.

Others view the abductions as simply the latest tactic of criminal gangs forged in the poverty of Rio's hillside slums.

Some residents are treating the wave of kidnappings with Rio's traditional insouciance.

In a publicity stunt this month, a travel agency "kidnapped" a family at random from a shopping street in Rio's fashionable Ipanema neighborhood. The family won round-trip tickets to Italy to see Brazil's team play in the World Cup soccer championships.

The next day, newspapers here published photos of the family grinning widely as six "gangsters" trained guns at their heads.

No Agreement On El Salvador

A leader of the Farabundo Marti National Liberation Front, Shafio Handal, right, with reporters in Oaxtepec, Mexico. Negotiators for El Salvador and the leftistfront ended a week of talks Tuesday with no peace agreement. The rebels have said they will not agree to a cease-fire before an agreement is reached on reducing the power of the armed forces, which rights groups blame for most civilian deaths.

Gerardo Magallon/Agence France-Presse

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SOLDADO MAIN FIELD WATERFLOOD EXPANSION PROJECT
OFFSHORE TRINIDAD, REPUBLIC OF TRINIDAD AND TOBAGO

SELECTION OF ENGINEERING, PROCUREMENT AND CONSTRUCTION CONTRACTORS:

Trinmar Limited invites suitably qualified companies to submit prequalification applications for provision of Project Engineering, Procurement and Construction services for the Soldado Main Field Waterflood Expansion Project; to be undertaken offshore, Point Fortin, Trinidad, in the Republic of Trinidad and Tobago.

The Government of Trinidad and Tobago is seeking funding from the Inter-American Development Bank (IDB) for the execution of this project. On receipt of approval for the funding, Trinmar Limited will be the executing Agent for the project. Goods procured and/or contracting of services covered by project financing, shall be subject to provisions of the Loan Contract with the bank.

In order to pre-qualify, the nationality of the Company shall be that of a member country of the IDB.

PROJECT DEFINITION:

Ownership of Trinmar Limited is as follows:

Trinidad & Tobago Petroleum Company Limited (State)	33.3%
Trinidad & Tobago Oil Company Limited (State)	33.3%
Texaco Trinidad, Inc.	33.3%

The purpose of the Soldado Main Field Waterflood Project is to install facilities to increase Trinmar's Main Field production by 14,000 barrels of oil per day (Peak). Studies indicate that an additional 16.8 million barrels of oil are recoverable by waterflooding over the life of the project.

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Trinmar will pre-qualify EPC contractors who will be eligible to bid for execution of the Engineering, Procurement and Construction activities.

PROJECT SCHEDULE

The project schedule is based on Invitation to Bid - 4th Quarter 1990; Contract Award - 1st Quarter 1991; with Project Commissioning/Start-Up in December 1992.

SUBMISSION OF APPLICATIONS

Companies wishing to submit applications may obtain the required pre-qualification documentation, which includes the method proposed for pre-qualification, from the following locations:

Trinmar Limited - Point Fortin, Trinidad, Republic of Trinidad and Tobago
Attention: Chief Project Engineer - Waterflood Expansion Project
Telephone: 809-648-2170/2105/2543; 809-648-1540. Fax: 809-648-2519.
OR The Embassy of the Republic of Trinidad and Tobago
1708 Massachusetts Avenue Northwest, Washington D.C. 20036, U.S.A.
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THE CLOSING DATE FOR RECEIPT OF APPLICATIONS IS:
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Algerians Choose The Protest Vote

And After Fundamentalists' Victory, Many Foresee Long Period of Unrest

By Youssef M. Ibrahim
New York Times Service

ALGIERS — Shifting his feet nervously, Nasreddine stands in a busy alley, scanning the crowd for a plainclothes policeman who might arrest him or a customer who might buy the decrepit portable cassette player he is peddling.

This is the Aguiba market in central Algiers, one of the busiest *trabendos*, as the black markets are called in French-Arabic slang. The opposition Islamic Salvation Front has adopted the trabendos, organizing the buyers and sellers.

So it is no surprise that Nasreddine is one of nearly 6 million Algerians who voted on June 12 for the fundamentalist Islamic Salvation Front, in Algeria's first free elections since the nation won independence from France in 1962.

Sweeping aside predictions that it could win no more than 30 percent against the ruling National Liberation Front, the Islamic Salvation Front, known by its French initials, FIS, received almost 65 percent of the popular vote.

It won 55 percent of 15,000 municipal posts throughout the country and took control of Algiers and 32 of the country's 48 provinces. The ruling party was a distant second, and the eight other parties hardly made a mark.

"I voted for the FIS out of revenge," said Djamal Merouane, an electrician in his mid-30s who left his government job three years ago to drive a taxi because his salary was too low, inflation too high and promotions given only to those connected to the ruling party.

"In this country," Mr. Merouane said, "if you are a young man like these kids at the trabendo markets, you only have four choices: You can remain unemployed and celibate because there are no jobs and no flats to live in; you can work in the black market and risk being arrested; you can try to immigrate to France to sweep the streets of Paris or Marseille, or you join the FIS and vote for Islam."

After the elections, the growing consensus of Algerians and foreign diplomats here is that the fundamentalist triumph was only the beginning of a long period of severe social unrest as secularists and fundamentalists battle for the hearts and minds of Algerians.

"God rest the soul of the National Front for the Liberation of Algeria," said Yousfi Abdelbaqi, a former National Front, or FLN, supporter and veteran of the war for independence from France, led by the National Front from 1954 to 1962. "The Islamic movement is the true heir of the FLN. This is the new generation, which has had enough of the parasites that demolished the FLN. I wish them luck, but it really does not matter, because they are here to stay."

The Islamic Front has been vague about its policies.

What is clear so far is that it has struck an alliance of sorts with Algeria's merchants and seems to espouse a free market. Some of its leaders, describing women's primary role as rearing a family, have suggested that women limit themselves to jobs like nursing, gynecology or teaching.

But whether they agree with the Islamic Front or not, most Algerians are proud of the difference the free ballot has made in their lives. There is a sense of exhilaration and excitement that can only be experienced in the aftermath of a genuine revolution.

Even educated, cosmopolitan Algerian women, who are the first to argue that Islamic fundamentalism represents a direct threat to their future, do not regret the outcome of the elections.

"The most important thing is that people are free to talk, to express their views," said Dalida Ramadani, 24, a chemistry student at Houari Boumédienne University who voted for the National Front. "The fear has gone."

She vowed to fight any fundamentalist attempt to force her to wear a veil.

"I want to see if the FIS will respect the freedom of others, if they can rebuild the country's economy," she said in the midst of a heated conversation with supporters of the Islamic Front and other parties. "If they can do it, why not support them? We are all for a good, honest administration and for democracy."

Algeria's president, Chadli Benjedid, is under mounting pressure to dissolve parliament, which is composed exclusively of National Front members and has little claim to legitimacy in the aftermath of the vote. But many opponents of the Islamic Front said parliament should not be dissolved for at least six months, to allow secularists to reorganize.

"We can't deliver the country to them the way it is," said Atiqa Amiri, 28, who is doing graduate studies in electronics. "We have 40 percent of the people who did not participate in the vote at all, which means there is a big silent minority out there. It takes time to get over 27 years of dictatorship. More than 60 percent of our people are practically illiterate."

Miss Amiri said, "I would like to wait until the other parties are ready," and added: "Algeria's 500,000 working women are not going to march to the slaughterhouse silently, even if it means a civil war."

No matter what happens next, everyone agrees that in today's Algeria the only organized political force is the Islamic Front, which draws on a network of 9,000 mosques across the country.

"For the next five years, there is no alternative to the fundamentalist movement in Algeria," said Ammar Ben Hemmer, one of the chief editorialists for the National Front's newspaper. "The only thing we have to do is make sure that Islam does not turn to fundamentalist militancy, because in this country Islam has always been a tolerant religion."

For the West, the events of Algeria pose a grave quandary.

The Mediterranean countries of Europe, particularly France, are already struggling to absorb some 4 million legal and illegal Arab immigrants from North Africa. Now they worry about another huge influx, this time of Algerians fleeing Islamic fundamentalism.

"For France, Algeria is already what Mexico is to the United States," a Western diplomat said.

Western diplomats concede that the democracy movement they have championed in East Europe and Latin America is producing something quite different in North Africa — a virulent brand of anti-Western Muslim fundamentalism.

Many said the momentum gained by the Islamic Front and similarly militant Islamic movements already active in other North African countries such as Tunisia, Morocco and Egypt might be unstoppable.

"Islamic fundamentalists are the primary political force in the Arab world today," said François Burgat, who has written a book on Islam in North Africa and who came to Algeria to observe the elections and analyze their aftermath. "Islamic discourse has become the only nationalistic discourse today."

But a senior West German diplomat said, "The point is, that they have had absolutely free democratic elections here, even though the party benefiting from this does not believe in freedom."

As the hot sun baked Algiers on a recent day, the smell of uncollected garbage got stronger. Sanitation workers had been on strike for more than a week, asking for higher wages. There had been no newspapers for days, because drivers and deliverers were on strike. Long lines of cars were backed up at the few gasoline stations still working; most workers at the government oil monopoly, Naftal, were on strike, too. And at hospitals, only urgent cases were treated, because doctors were striking.

"The government has nothing in the stores," said Nasreddine, the merchant in the Aguiba market. "You cannot find a razor in Algiers, and they arrest us for selling things people need. You just wait. This place is going to blow up like Ceausescu. It is going to be another Romania here."

With $27 billion in foreign debts, Algeria is spending nearly 70 percent of its $10 billion yearly oil revenue to pay off the debts and interest, leaving precious little to pay for new housing, new schools, new jobs and new infrastructure.

"The country is falling apart," said Larbi Alilat, a winning candidate from the secular Rally for Culture and Democracy, which is vehemently opposed to both the ruling National Front and the fundamentalists. "I think Chadli and his ministers would like nothing better now than to leave, provided there is no accounting for their past mistakes."

Macq Maciczynski/Reuters

A homeless family in Rudbar, on the Zanjan-Gilan provincial border, where the quake hit hardest.

In Iran, a Crescendo of Woe

Quake Dead Could Top 60,000, With 500,000 Homeless

The Associated Press

MANJIL, Iran — Interior Minister Abdullah Nouri said Tuesday that "99 percent" of those killed in the earthquake last week had been recovered but that an accurate casualty count had not yet been made.

Officials have said, however, that the earthquake on Thursday killed as many as 50,000 people, injured 200,000 and left 500,000 homeless. The quake registered between 7.3 and 7.7 on the open-ended Richter Scale.

The death toll could range from 60,000 to 70,000, Christian Brauner, a relief worker with the West German Red Cross, said in Manjil, 125 miles (200 kilometers) northwest of Tehran.

The higher number is plausible because so many large families were crowded into houses that crumbled, he said.

The quake destroyed at least 95 percent of Manjil.

Mr. Nouri thanked the hundreds of foreigners from 26 countries who are helping Iranians recover from the country's worst earthquake this century.

Foreign relief teams "are welcome," he said, as Iran's moderates and anti-Western radicals argued over permitting the major international relief operation.

"Their presence in the disaster area was useful".

Mr. Nouri, a middle-ranking cleric who is in charge of relief operations, said: "Counting of the dead and injured has started as of Monday. I dare say that 99 percent of the bodies have been pulled from the rubble."

He said Iranian relief teams had reached all towns and villages in Gilan and Zanjan provinces, which were pulverized in the quake. He spoke as rescue teams dug through the rubble of the 342 towns and villages searching for survivors. But Western relief officials said there was little chance of finding survivors.

A chain of 360 aftershocks have hampered relief efforts. Some measured between 5.5 and 6 on the Richter scale, according to the Geophysics Center at Tehran University, which has registered the tremors since the main quake.

Foreign aid continued to pour into Tehran. More than 130 planes carrying hundreds of tons of relief supplies and medical volunteers have flown into Mehrabad Airport since Sunday.

Rushdie Gives £5,000 for Iran Aid

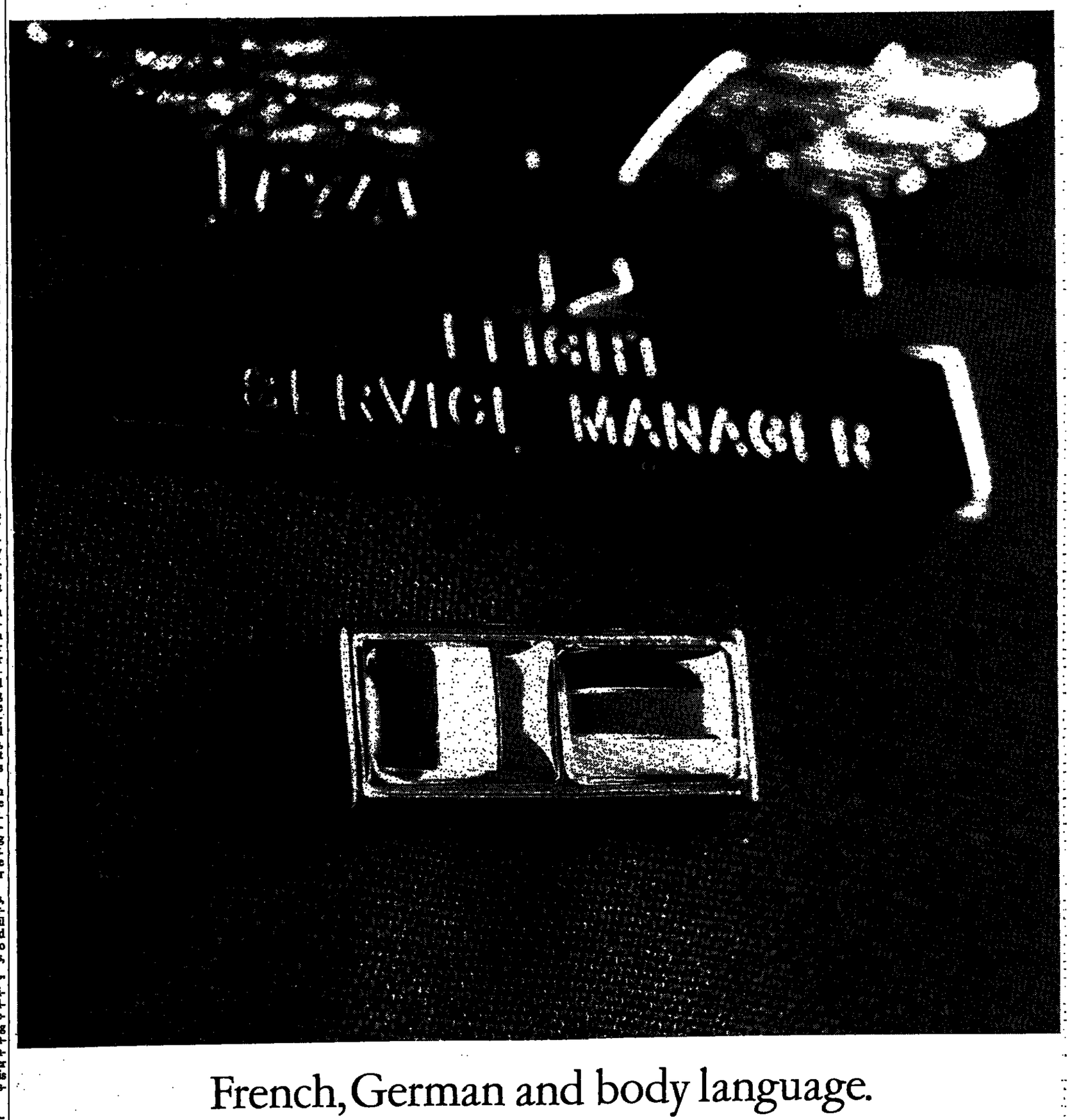
The Associated Press

LONDON — Salman Rushdie, who is under an Iranian death order for his novel that some Muslims say is blasphemous of of Islam, is donating £5,000 to help victims of the Iranian earthquake, a newspaper said.

The Independent, which began an appeal for contributions over the weekend, said Mr. Rushdie contacted it Monday through a representative to make the donation, which is equivalent to $8,650.

"It's quite clear that at the moment we should be thinking only of the humanitarian issue, which transcends all other discussions," Mr. Rushdie said in a statement, according to the editor of newspaper, Andreas Whittam Smith.

Mr. Rushdie has been in hiding since February 1989, when Ayatollah Ruhollah Khomeini of Iran deemed his novel "The Satanic Verses" blasphemous to Islam and said he should be killed. Ayatollah Khomeini died a year ago, but Iran has said the death order stands.



Robert Carney Dies at 95, Planned Okinawa Invasion

The Associated Press

WASHINGTON — Admiral Robert Bostwick Carney, 95, planner of key Pacific naval battles in World War II, died of cardiac arrest Monday.

Admiral Carney, chief of staff to Admiral William (Bull) Halsey, was awarded the Navy Cross for his role in planning the U.S. victory in the battle of Leyte Gulf in October 1944. He later headed the group that planned the Okinawa invasion.

Among other assignments after the war, he served as NATO commander in southern Europe.

Gabriel Macé, 72, Editor of Canard Enchaîné

PARIS (AP) — Gabriel Macé, 72, editor of the satirical weekly Le Canard Enchaîné, died of heart disease Saturday in Paris.

Mr. Macé joined the newspaper's staff in 1947 and had been editor since 1969. He wrote a weekly commentary on French politics.

Le Canard Enchaîné, known for its investigative reporting as well as its humor, aims its satire at virtually every sector of the French establishment, including the church, the military and politicians.

Ilya M. Frank, 81, Soviet Nobel Physicist

MOSCOW (AP) — Ilya M. Frank, 81, a scientist who won the Nobel Prize in physics in 1958 for his work in neutron physics, died Friday.

Mr. Frank was born in Saint Petersburg, now Leningrad, and graduated from Moscow University in 1928. He shared the Nobel Prize with Pavel Cherenkov and Igor Y. Tamm.

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A Goodwill Gesture

Yes, the stories are true enough about Middle Kingdom feelings of superiority and indifference to the outside world. But China's leaders worry plenty about the ostracism they brought on themselves last year by ordering the army to fire on students demonstrating for democracy. And worry they should. Foreign lending, investment and tourism are sharply down and critical trade relationships are in jeopardy.

That explains Beijing's goodwill gesture on Monday. China's two best-known democratic captives, Fang Lizhi and his wife, Li Shuxian, were allowed to leave the sanctuary of the U.S. Embassy and travel to Britain. Early next month, the major Western nations will hold their annual economic summit meeting in Houston, and Chinese leaders want to be seen in a relatively benign light. Freedom for these two champions of democracy indicates that Beijing may be getting the idea of how to change China's international reputation.

To call the release of Mr. Fang and Miss Li a goodwill gesture is not to minimize its significance. For three years the two of them have launched telling darts of truth at the Communist Party's retrogressive leaders.

But it is equally important to keep this welcome step in proper perspective. China is no longer the attractive, reform-minded country it was from 1979 to 1989. It is now the most important of the handful of hardline Communist holdouts, together with Vietnam, North Korea and Cuba.

The West does well to maintain active diplomatic contacts with Beijing, and to encourage trade ties with the Chinese people. But the Bush administration needs to be clear that the romantic era of photo ops in the Forbidden City and of geopolitical China cards is over. The main goal today is to protect prominent survivors like Mr. Fang and Miss Li and to sustain the hundreds of millions of ordinary Chinese until the day when they again have a chance to help create a happier future.

— THE NEW YORK TIMES.

Canada's Quarrel

Quebec is still a long way from dropping out of Canada. Before things go farther, there will be time for second thoughts and much more discussion. But clearly Quebec is now closer to secession than ever before.

The quarrel fundamentally revolves around civil rights and the differing definitions of them. The French-speaking Canadians of Quebec see themselves as a threatened island on a great continent dominated by English. To preserve their language and the traditions it carries, Quebec's leadership insists on rules that sometimes violate English-speaking Canadians' ideas of personal liberties. Quebec's prohibition of signs in English, including private businesses' signs, has taken on a large symbolic importance.

The proposed constitutional amendments known as the Meech Lake Accord would have stated explicitly Quebec's right to preserve its special status as a "distinct society," and Prime Minister Brian Mulroney never entirely succeeded in allaying anxieties that those amendments might conflict with the Canadian bill of rights.

He obtained a letter from several constitutional authorities reassuring Canadians that there was no infringement. But by that time he was knee-deep in demands from other groups demanding similar guarantees. If the constitution was to be amended to preserve the French language, how about further amendments to protect sexual equality, and the rights of aborigines and multiculturalism in general?

In the end the Meech Lake deal collapsed on the refusal of two of the smallest provinces, Newfoundland and Manitoba, with 6 percent of the country's population between them, to ratify it. A rule of unanimity is always dangerous in a free society. But that was part of the agreement: The Meech Lake amendments would go into effect only if every province accepted them.

The initiative now lies with Quebec, whose middle-of-the-road premier, Robert Bourassa, is being pushed hard by the separatists. Many possibilities lie between the present federation and complete secession, and the conversation now seems to have begun exploring them.

American policy needs to remain absolutely neutral. As in certain marriages, differences that have become intractable over the years eventually justify divorce — and no one outside the family can make that judgment. Characteristically, Canadians are meeting the possibility of secession with civility and a careful regard for due process.

— THE WASHINGTON POST.

Unhelpful Walesa

Can it be that Lech Walesa, perhaps the prime political hero of the 1980s, founder of Poland's Solidarity and creator of Eastern Europe's first government to break from communism, is becoming yesterday's man? This is the awkward prospect raised by developments in the committee that the 47-year-old shipyard electrician had set up to steer Solidarity, which now runs the government. More than a third of its members, including movement intellectuals and political heavyweights, are undeniably rejecting his leadership. Mr. Walesa, who unified national opposition to the old regime, faces being personally marginalized in the new.

In the first stage of Eastern Europe's anti-Communist revolution — in Poland, the 10-year struggle that Mr. Walesa led — it was natural and easy to organize opposition on the single, powerful theme of replacing the detested old order. In the second stage, which is the one that all the former Soviet satellites are now going through, the emphasis is on building a democracy and an economy that work. Inevitably in this stage conflicts have appeared. In Poland's case, they pit the sober-minded Solidarity group that has accepted day-to-day responsibility against a personally detached Lech Walesa, who was a spirited genius when government was his adversary, but broods with government as a friend.

There is no reason to see anything sinister about this split. It lies in the realm of matters on which reasonable people differ. But there can be no obscuring the difficulties that its deepening could pose to Polish recovery. By his choice, Mr. Walesa stayed outside the political structure that Solidarity built. By their choice in elections, the people bestowed formal power. The task of governing is not made easier by the presence of a living legend second-guessing from the sidelines — suggesting, for instance, that the old bureaucrats are being replaced too slowly or that workers are carrying too much of the load.

Mr. Walesa has considered running for president against the current president, General Wojciech Jaruzelski. That option is surely open to him. More disturbingly, he calls for a strong president who would issue decrees to hasten the transition from communism. No one has earned a greater claim to have his views considered by the Polish people. But it must be left to the people to decide through their elected government how they shall be ruled.

— THE WASHINGTON POST.

Other Comment

Sign of Change in Beijing

Fang Lizhi and his wife, Li Shuxian, have left for Britain, coming out from under the wing of the U.S. Embassy in Beijing. The decision to permit their departure may well be taken as an auspicious sign of change in the posture of a government which has continued to take a hard-line stance. Since January, the Chinese authorities have been seeking an end to sanctions by trying to improve their country's image abroad, lifting martial law in Beijing and Tibet and releasing political offenders detained in connection with the Tiananmen Square incident. When President George Bush decided to extend China's most-favored nation status in late May, Premier Li Peng showed a soft attitude when he said China would "admire this wise action," whereas some Chinese leaders uttered words that amounted to an acknowledgment of their mistake in the Tiananmen crackdown.

After this course of events, the conditions Washington set forth before Beijing are said to have boiled down to the release of Mr. Lizhi and his wife, the release of all political offenders and the expression of regret to the victims of the Tiananmen episode. But upwards of 300 people remain detained in connection with Tiananmen. As long as this posture is retained by Chinese authorities, who are described as "outwardly soft and inwardly hard," apprehension felt by Western countries will never dissipate.

— Asahi Shimbun (Tokyo).

A Solution for Hong Kong

As Hong Kong's 1997 handover draws nearer, the exodus of people unwilling to take a chance on the British-run territory's future under Chinese rule has become a flood. By some predictions, the total to have left by 1997 will reach 600,000 or more. This is 10 percent of Hong Kong's current population. Hong Kong is hemorrhaging brain power. That would be bad for the region as well. The only way to balance emigration is with immigration. The Hong Kong government has long allowed in a trickle of professionals and skilled staff from other Asian countries, on the same case-by-case basis as with non-British Western expatriates. It would clearly be to everyone's benefit for this policy to be liberalized and expanded. Yet there are limits to this route: An expatriate is still an expatriate, generally committed only for the short term.

The real answer lies in the one place no one seems very anxious to look: China. Among one billion people, all Hong Kong needs is access to just one one-hundredth of that fabled 10 percent talent component and presto: one million potential top-quality job applicants. Not, to be sure, experienced in the ways or even the language of Hong Kong's ultramodern society — but super-eager to learn and bright enough to do so. Even Beijing, not known for its forbearance where Hong Kong is concerned, has made supportive noises.

— Asiaweek (Hong Kong).

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OPINION

Deng, Not Gorbachev, May Get the Laurels

By William H. Overholt

HONG KONG — Today's conventional wisdom is that Mikhail Gorbachev is a hero as a reformer while Deng Xiaoping is a failure. The verdict of history will almost certainly be the reverse.

Reform is primarily a domestic political process, and, short of triggering an invasion by foreigners, its success or failure hinges exclusively on the reformers' ability to construct an adequate domestic base of political support. Mr. Gorbachev has failed completely at this, while Mr. Deng has succeeded.

Great reformers, like Turkey's Ataturk, divide reforms into a sequence of manageable phases and create a coalition of interests in support of each phase. They manage each phase to generate rising momentum for the next. Unsuccessful reformers quickly antagonize so many interests that they become overwhelmed by reaction.

Mr. Deng's reform in China is the model of a successful Ataturk-style process. Focusing first on farmers, and by rapidly doubling the incomes of 800 million of them, Mr. Deng not only won hearts and minds but also changed the tone of Chinese society.

Mr. Deng then permitted the rise of a class of small-scale entrepreneurs, revolutionized China's financial system, transformed large segments of China's light and medium industry, and allowed a vast flow of students and intellectuals in and out of China. Each step delivered concrete benefits to important groups and created a powerful constituency for further reform. He managed to antagonize a minimum coalition of vested interests against reforms.

Only after a decade in which China was the world's fastest growing country did Mr. Deng confront the core of Communist power: heavy industry and political management of the economy. At that point he lost control of both economic inflation and the inflation of political expectations; prices rising at 25 percent and a million demonstrators in Tiananmen Square panicked the great reformer and a tragic massacre ensued.

But that is not the end of the story. Facing this tidal wave are superannuated bureaucrats who have no theory of political victory except to circle the wagons. Their prescriptions for the economy will ultimately worsen China's problems, and they will be blamed for the errors of the reformers as well as their own. In short, Mr. Deng created a reform wave with momentum so great that even he can do no more than slow the tide.

Mr. Gorbachev, on the other hand, has succeeded at international public relations and, from a Soviet perspective, failed at everything else. Instead of attacking reform by sectors, he has attacked every conservative group at once; instead of delivering concrete economic benefits to insure continuing momentum, he has delivered no benefits whatsoever.

The conservative bureaucracies of the Soviet Union are far more entrenched than their Chinese counterparts, so dislodging them requires more stealth and greater care.

Yet Mr. Gorbachev has simultaneously told managers they will have to make a profit, workers that they will have to work harder with less alcohol, party leaders that they face new demands and the risks of running for election, government officials that they will endure budget cuts in a period of turmoil at home and loss of allies abroad.

From abroad, Mr. Gorbachev has been brilliant. He has freed Eastern Europe, enhanced intellectual freedom at home, and proved himself a statesman of great initiative, foresight and decency. If he were running for president of the United States, he would be a sure winner. Mr. Gorbachev's tragedy is that he will be judged by those for whom he has provided all costs and no benefits.

His theory has been that he needed to build political legitimacy first and reform the economy later. But benefits speak louder than words. Soviet society has had seven decades to conclude that ideology is fluff.

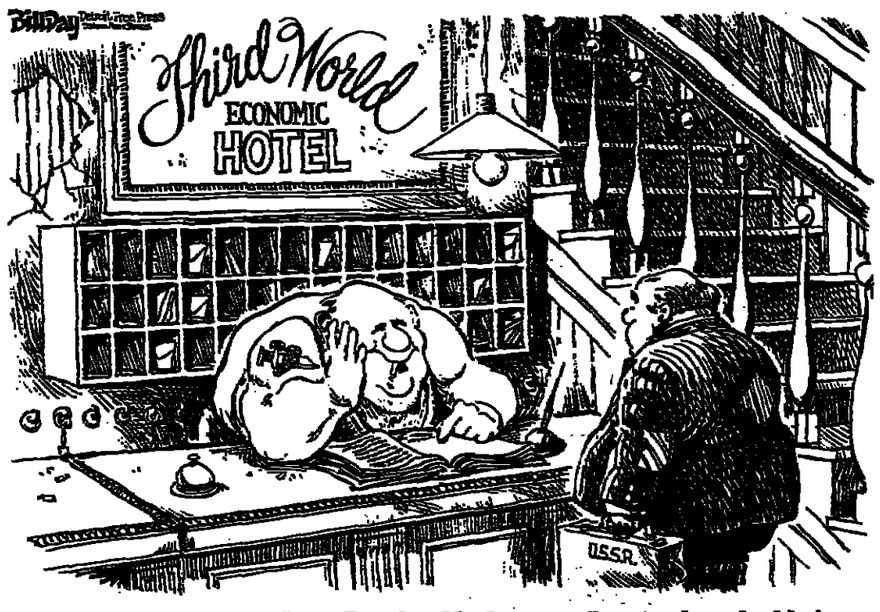
From a domestic viewpoint, Mr. Gorbachev has matched the achievement of the shah of Iran in 1978: antagonizing virtually all powerful domestic pressure groups simultaneously. He has more than matched the achievement of Jimmy Carter in 1977: weakening ties to virtually every ally while cutting the military budget and damaging the intelligence service. Anyone who combines the flaws of the shah and Mr. Carter has sealed his fate.

Mr. Gorbachev may fall early or late. He may fall dramatically or be left as a figurehead with his program emasculated and all initiative in other hands. But his economic reform already looks like a failure.

To a remarkable degree, the world has nonetheless programmed itself around the assumption that Soviet and East European liberalization are assured successes. West European parliaments and the U.S. Congress are spending the peace dividend. NATO is planning troop cuts and a partial withdrawal of U.S. forces.

Reality may be different. Mr. Gorbachev's U.S.S.R. has not yet faced its Tiananmen Square, but it will. The question of disintegration or force must eventually be faced. History will reverse today's premature verdicts on communism's most powerful leaders.

The writer, a former associate of the Hudson Institute, is regional strategist for Bankers Trust Securities (Pacific) Ltd. He contributed this comment to the International Herald Tribune.



'Yeah, yeah, I've heard a million hard luck stories. Just sign here, buddy.'

America Sent the Right Message — and Beijing Heard

By Jim Hoagland

PARIS — When Moammar Gadhafi recently released a French woman held hostage by the Libyans for two years, the French government fulsomely praised this act of appalling cynicism as a "humanitarian" gesture. With an unconscious but exquisite sense of symmetry, Marlin Fitzwater now uses the same word to applaud China's decision to release its most famous hostages, Fang Lizhi, and his wife, Li Shuxian.

Rejoice that Mr. Fang and Miss Li have been airlifted out of harm's way to exile in Britain. But do not join Mr. Fitzwater, the Voice of George Bush, in granting the Chinese Communist regime a seal of approval. The White House spokesman's verbal bow to Beijing rewards hostage-taking just as surely as did France's hosannas for Colonel Gadhafi.

The Fitzwaterian slip does put the "humanitarian" Chinese leadership in the right league internationally, up there with the Libyan lunatic. But praising Beijing for freeing people who should never have been the target of official persecution in the first place debases the language, and practice, of American diplomacy.

Only the infirm rulers of Zhongnanhai, the Kremlin of Beijing, know why they chose this moment to allow Mr. Fang and Miss Li to leave the U.S. Embassy, where they took refuge last June. But it is worth noting that the dissident couple was freed scarcely two weeks after the Bush administration had taken its first concrete step to show displeasure with the situation in China.

This occurred on June 7, when Vice President Dan Quayle met for an hour in the White House with Chai Ling, the young woman who played a key role in organizing the Tiananmen demonstrations. Like Mr. Fang, she has been labeled by Beijing as "a counterrevolutionary criminal" for calling for democracy in China. The Quayle meeting is the kind of language — O.K., pressure — that Deng Xiaoping understands, as was suggested here in a column (IHT, April 18) that urged the Bush administration to listen to Miss Chai and other Chinese dissidents.

The Quayle-Chai meeting stunned Beijing, informed diplomatic sources tell me. It got across the message that even Mr. Bush's seemingly boundless store of patience with his Beijing comrades had a limit. In all likelihood, the show of U.S. firmness — not the long period of U.S. kowtowing that preceded it — got the Chinese leaders to honor the promise they gave last December to Brent Scowcroft, Mr. Bush's national security adviser, to free Mr. Fang and Miss Li.

The Chinese had demanded that the two sign confessions admitting treason. But they refused and now have been freed without submitting to this dangerous humiliation. Even the official Chinese statements on their release claim no more than Mr. Fang and Miss Li admitted to having criticized China's communist leadership. Again, firmness worked with Beijing.

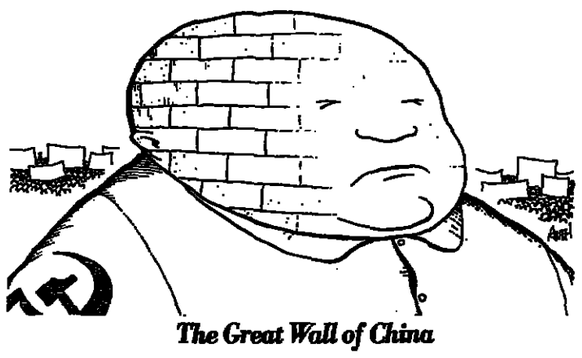
There is one drawback to the liberation. The Chinese appear to have insisted that Mr. Fang go to Britain, rather than to the United States or to France, where the Chinese dissidents are active. Margaret Thatcher's government, more worried about Hong Kong than democracy in China, will make sure Mr. Fang and Miss Li remain, shall we say, discreet. China has temporarily lost a powerful voice for change, as well as its most eminent scientist and sage.

The flight to Britain ends a yearlong nightmare that I by chance witnessed begin. In Tiananmen Square, I had come to know one of Mr. Fang's friends, Jonathan Mirsky, the China correspondent of the Observer newspaper of London. Mr. Mirsky (a fluent Mandarin speaker who has just been named Britain's journalist of the year for his dispatches from Tiananmen) helped me put in historical and social context the student uprising last May and the repression that followed. In fact, the victory of the Stalinist hardliners over the reformers became clear when Mr. Mirsky and I went to meet Mr. Fang and Miss Li on a late May afternoon as the demonstrations reached their peak.

We had phoned that morning. But by the time we arrived, the couple had learned of a list of intellectuals and activists to be "dealt with" when the army put down the demonstrations. Fear physically transformed Miss Li, whom Mr. Mirsky barely recognized when she opened the door to the apartment. She trembled as she stood in the vestibule and said they could not talk now. She stammered out a reference to the list. She begged us not to say we had visited them, so fearful was she of government reprisal. This anxiety a few days later drove them into the U.S. Embassy in justified fear of their lives.

Their going into exile is no cause to praise their oppressors. Nor should it cause the World Bank and the Group of Seven industrial democracies, who meet in Houston in early July, to conclude that now is the time to relax the pressure that has been brought to bear on China. Firmness, not kowtowing, brought this liberation. Firmness in the cause of democracy can bring more change in China, just as it has in the Soviet Union.

The Washington Post.



The Great Wall of China

Don't Let an Energy Crisis Shut Off Eastern Europe

By Joseph Stanislaw and Daniel Yergin

CAMBRIDGE, Massachusetts — If 1989 was the year of political miracles in Eastern Europe, 1990 is the year of harsh economic realities. Behind the revolutionary political changes is an immense economic crisis that prefigured them. This crisis was one of the main reasons that the Soviet Union decided that the costs of empire outweighed its benefits.

The other side of the problem is the environment — a disaster whose dimensions are still to be determined. Vegetation, soil, rivers and air have been shockingly polluted. Human health is seriously at risk.

Ironically, the political changes have intensified the economic problems.

Part of the crisis arises from the breakdown of the Marxist economic machine and the difficulties in transforming its rigid bureaucratic structures into flexible market systems. But a substantial part results from the voracious need for capital arising from the energy-environmental quandary that afflicts all the countries.

The energy system of Eastern Europe has been geared to the Soviet Union. Moscow has provided most of the region's oil but at reduced prices and in the soft currency. The same applies to natural gas, for which the Soviet Union has been the principal source.

But the Soviet Union has begun cutting back. It has either reduced or plans to reduce oil shipments, forcing East European countries to turn to the world market. As a result, whatever hard currency resources they have are threatened.

Worse, the Soviet Union is insisting that it, too, must be paid in hard currency. Facing its own severe domestic energy problems, Moscow is intent on husbanding whatever oil it can export for hard currency earnings. It no longer has any imperial reason to subsidize the energy supplies of Eastern Europe.

All this jeopardizes economic restructuring and recovery in Eastern Europe. Without energy, the East Europeans will be unable to overhaul and restart their deeply depressed economies. They need access to international energy and the ability to pay for the energy. The development of domestic energy sources is also necessary.

The other side of the problem is the environment. One of the consequences of decades of communist rule is an environmental disaster whose dimensions are still to be determined. Vegetation, soil, rivers and air have been shockingly polluted. Human health is seriously at risk. A single brown-coal power plant in East Germany spills more carbon dioxide into the atmosphere than the entire Swedish economy.

Environmental cleanup is at the top of most of the new parliaments' agendas. Accomplishing it and introducing pollution-control technologies will involve enormous costs. This effort will likely entail less reliance on locally produced energy, particularly the region's dirty lignite or soft coal.

Unless these dual problems are solved, the economies of Eastern Europe will not work. The hopeful political revolutions will be undermined. What is needed is a large, rational, organized injection of capital.

The Marshall Plan after World War II was a response to the economic breakdown of Europe, specifically the result of the first postwar energy crisis — Europe's shortage of coal. Initially, the plan included Eastern Europe. The Poles and the Czechs showed up at the first meeting in the summer of 1947, but Stalin quickly forced Eastern Europe to opt out.

Forty-three years later, it makes sense to return to the plan's original intent regarding Eastern Europe. Capital to attack the energy-environment quandary must be provided on a multilateral basis and on a scale much larger than now anticipated.

The United States and some West European countries have come forward with aid packages, as has the World Bank. The new European Bank for Reconstruction and Development would be a good beginning, but its $12 billion capital is only a starting point. Estimates for cleaning up the East European environment are well in excess of $200 billion.

Joseph Stanislaw is managing director of Cambridge Energy Research Associates. Daniel Yergin, its president, is author of "The Prize: The Epic Quest for Oil, Money and Power." They contributed this comment to the International Herald Tribune.

The Soviets First Need A Solid EC

By Flora Lewis

DUBLIN — The European Community is off and running, after nearly a generation of "stagnation," to use President Mikhail Gorbachev's word for an unproductive era.

The momentum began with the Single European Act in 1987, after Mr. Gorbachev arrived but before any clarity about the impact of his changes. Even then, there was a sense of a race against time, whether the Community could coalesce into an effective power before its magnetism brought so many applicants that it would dissolve into a mere club of nations.

Last year, the collapse of the Soviet empire and the inevitable reunification of Germany threatened to leave Western Europe on the slow track. But the very threat, especially the question of whither a big new Germany, acted as a spur. Now the Community is catching up. Even the recalcitrant Margaret Thatcher has implicitly conceded that she can't stop the rush to "European Union." President François Mitterrand of France now says flatly the goal is "federal."

With the push for political and economic union by 1993, Europe is moving from the stage of America's Continental Congress toward a constitutional convention. It is breathtaking, even though it is coming in technical accords, without the soaring rhetoric of America's Founding Fathers. The Europeans will have to write their preamble after they have haggled out the articles and clauses of their future constitution. But that is the way they are going.

Disintegration of the East has been a major influence. Distinct internal factors in East and West created the conditions for this new tide of history, but they have reinforced each other. There's even a risk of tidal wave.

The West German chancellor, Helmut Kohl, seems to be carried away. There is no question of his dedication to integration in the European Community and NATO, to make a "European Germany" and not a "German Europe," as his foreign minister, Hans-Dietrich Genscher, puts it.

But he has got the idea that it requires him and his allies to be Mr. Gorbachev's safety net in the Soviet leader's high-wire dance to economic reform. Mr. Kohl's argument, supported by Mr. Mitterrand, is that Mr. Gorbachev's will to reform made everything else possible, so he should be rewarded and supported lest a failure put all the gains into question.

Mr. Mitterrand calls it a chicken and egg question, arguing that the reforms will not work without Western help, so the West would defeat its own interest by telling Mr. Gorbachev to reform first and collect later.

This a highly dubious proposition on many counts, including the simple notion that a pledge of widespread Western aid would bring Mr. Gorbachev safe transit across his perils. Even if the sentiment appeals, there is little idea how Western aid could be absorbed in the way Mr. Kohl insists is necessary. Soviet economists who are reformers say their system is not yet capable of digesting huge inflows productively.

The profound economic and social changes the Soviets need are certainly painful. But it will do them no service to help postpone the hard decisions. It is understandable that Mr. Gorbachev appealed to Mr. Kohl for sympathy, as the West German chancellor informed his European partners. And, as he said with surprising candor, it is understandable and reasonable that he decided Bonn should pay up to win Moscow's support for a Germany in NATO.

But delay is now Mr. Gorbachev's main enemy. He should not be encouraged to waffle any longer. The aid issue will come up at the seven-nation summit meeting in Houston next month. On that, President George Bush will be right to side with Mrs. Thatcher against throwing money at the Soviet morass until there is better evidence it can be properly used.

The Soviets must not be excluded from Europe, but neither can they simply be bought in. Conditions on aid for Eastern Europe to make sure investment works also must apply to Moscow. And every success in Eastern Europe will add hope, impetus and opportunity to the Soviets.

Nobody outside can assure Mr. Gorbachev's success, let alone the transformation of the Soviet Union, which is much more important. The construction of a solid Western Europe is the best assurance that the continent won't revert to the self-destructive fragments of its past, and the way to give heart and example to the East. History can move.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: France-U.K. Barter

PARIS — The *Figaro's* London correspondent telegraphs: "The negotiations between France and England on the Zanzibar protectorate will shortly bring up again the Newfoundland Fishery question. England is disposed to offer to the French Republic the island of Dominique, in the Antilles, in exchange for the surrender of the fishery rights at Newfoundland."

1915: Kaiser Insulted

LONDON — A telegram from The Hague says that the editor of the Rotterdam "Maasbode" has been sentenced to ten days' imprisonment and fined £5 for having, according to the Court, "insulted the sovereign of a friendly "Power" — the Kaiser. The "Maasbode" spoke of "William of Potsdam" as being a "double-faced monster — Emperor-Peace and Crown Prince-War" and accused him of having instigated the European upheaval.

1940: Republican Doves

PHILADELPHIA — The Republican National Convention adopted today [June 26] its 1940 platform, upon which it will make its stand for the Presidency. "The national defense plank of our party puts the Republican party before the country as the peace party," said Representative Hamilton Fish of New York. "At the same time it puts the Democratic party before the people as the one of intervention and war." The Republican platform on the European crisis in essence is that this country should stay out of the war, arm itself to the teeth to resist aggression and defend this hemisphere and the Monroe Doctrine and give aid to oppressed democracies to an extent which would not weaken our own defense. The debate at Philadelphia has convinced this newspaper that the Republican Convention of 1940 should nominate Wendell Willkie for the Presidency.

— From the New York edition of the New York Herald Tribune.

OPINION

Don't Forget Whose Policy Helped to Set Mandela Free

By Anthony Lewis

BOSTON — Congress gets so much abuse these days that we owe it a cheer when we see that it steered American policy in the right direction. Nelson Mandela's visit to the United States is an occasion for such recognition.

If it were not for Congress, Mr. Mandela would not be in Washington urging the United States to continue acting as an important force for change in South Africa. He would very likely still be in prison.

It was Congress that imposed economic sanctions on South Africa. It was Congress that sent that first unmistakable signal that apartheid is unacceptable to Americans. And what a difference sanctions have made. President F. W. de Klerk deserves full credit for his courage in freeing Mr. Mandela and taking other steps to start talks with the African National Congress. But international economic pressure was a major factor in undermining support for the system of white supremacy.

Sanctions have not been totally effective, of course; oil still moves and much trade continues. But the flow of capital has dried up, the economy has stagnated and the government has realized that South Africa cannot prosper in isolation.

U.S. policy has been crucial in that process. The Anti-Apartheid Act of 1986 was significant not only in its particular measures, such as stopping new American investment and ending airline connections. It was also an expression of moral disapproval, and South Africans care about American opinion.

And the policy was made by Congress. Congress passed the Anti-Apartheid Act over President Ronald Reagan's veto, and over a barrage of warnings from the president's aides and his ambassador to Pretoria that the law would be counterproductive.

Economic pressure would hurt blacks, the executive branch experts said. It would arouse a backlash among whites, making them more resistant to change. The only way to make progress was to stay close to the white holders of power and persuade them.

The Reagan people had sophisticated explanations for the policy of staying close to white power, but from the viewpoint of most South Africans, it amounted to a simple thing: The United States was on the side of the white minority. In overriding the Reagan veto in 1986, Congress effectively put the United States on the side of the majority.

Changing the policy was anything but easy. A lot of Americans in and out of Congress contributed over many years. The American Committee on Africa made the case for sanctions in state capitals and on campuses around the country. Many cities and states moved. Many universities divested; those that did not will regret their failure.

Senator Edward Kennedy was a powerful voice. He returned from a difficult trip to South Africa in 1985 convinced that the United States had to change policy, and he was a prime mover of the Anti-Apartheid Act.

Republicans in Congress also played an important part. The Reagan veto could not have been overridden without Senators Richard Lugar and Nancy Kassebaum. In 1984, 35 conservative Republicans in the House denounced South African racism. Representative Vin Weber of Minnesota said:

"We must stand firmly for freedom and democracy, and that does not permit us to blind our eyes to a government that denies both to the vast majority of its citizens simply because of the color of their skin."

In all this we can see the tension between two strains in the American polity. One wants to be on the side of power. That is Henry Kissinger counseling President Richard Nixon to stick with the whites in southern Africa; it is the CIA over many years exchanging intelligence with the South African security police.

The other strain is American idealism, the belief in freedom, the resistance to tyranny. Idealism was practical in this case. Think of an American government identifying with the policies of P. W. Botha, the former South African president, as Mr. Reagan wanted to do.

Conservative worshippers of the presidency talk about the superior wisdom of the executive branch in foreign policy. They treat Congress as almost an illegitimate branch of our government.

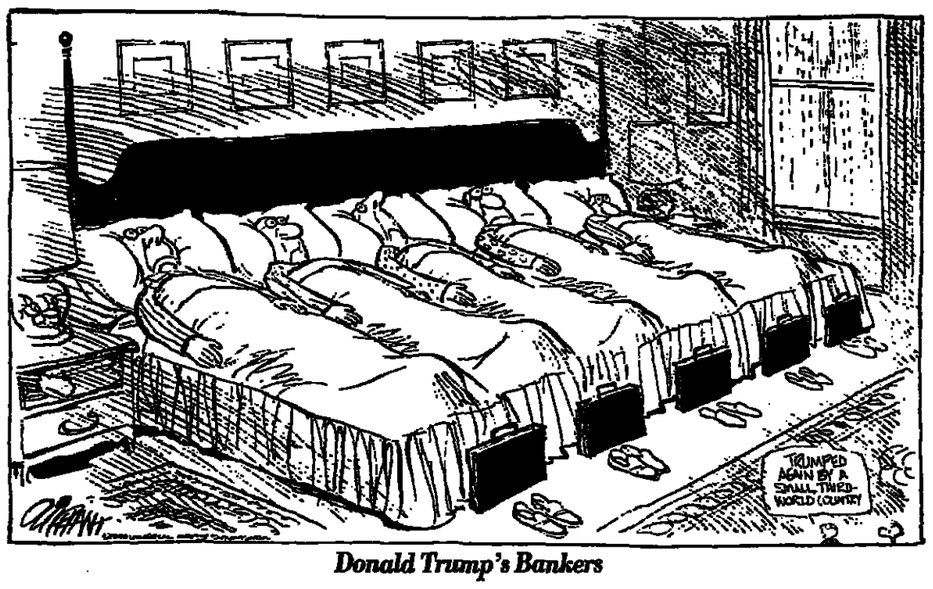
But in this case Congress made the choice of wisdom. Congress helped move South Africa toward peaceful change. Congress put the United States on the right side of one of the great moral issues in the world.

The New York Times.

A Mixed Blessing

ADULATION in the United States is a mixed blessing for Nelson Mandela. His international stature strengthens his bargaining position in South Africa at a critical moment in the fight to end apartheid. But it could also trigger trouble. If a steady diet of tributes gives Mr. Mandela the sense that he holds control over U.S. foreign-policy decisions on South Africa — especially on the delicate issue of sanctions — it could push him in the direction of hard-line negotiation. And an inflexible bargaining stance could destroy the fragile opportunity that exists to give blacks full rights as citizens of South Africa. Should negotiations fail and civil strife erupt, Mr. Mandela's chances of accelerating his country's economic growth would be doomed as well. The opportunity of a historic moment would slip away.

— Juan Williams, The Washington Post.



Donald Trump's Bankers

LETTERS TO THE EDITOR

It Was Hardly Diplomatic

In response to "Squeeze Is Put On Kremlin to Yield to Bonn" (June 20):

I was astonished that a presumably responsible U.S. State Department official said that the United States didn't have to "wield any sticks" because "the stick is there, and the Soviets know it."

This was a reference to what the United States would do if the Soviet Union refused to cooperate on the unification of the two Germanys. Such language is hardly conducive to enlisting Soviet cooperation. Has the State Department completely lost respect for the Soviet Union? Surely an apology would be the honorable course in this instance.

As a non-Soviet but a strong Russian at heart, I feel that unification has a long way to go unless the Germans atone and as, a gesture, undertake the renovation of one Russia's holy shrines devastated by the German armies when they retreated in World War II. The Russian soul forgives, but there there is no room for forgetfulness or complacency.

G. P. ORECHOFF.
Novocherkassk, U.S.S.R.

What the Chancellor Said

Chancellor Helmut Kohl of West Germany is quoted in your June 18 issue *("Germany: The Pace Quickens")* as saying of demonstrators against German unification who booed him in East Berlin: "These are people who have learned nothing from history. They represent a regime that terrorized citizens of East Germany for 40 years and as we know now, supported terrorism."

These accusations are patently false. The East Germans who now demonstrate against German unification are precisely the same people who, in October 1989, courageously went to the streets and started what became the nonviolent revolution. They object to Mr. Kohl's quick pace of unification, fearing that many East Germans will lose out under the merciless competition of instant capitalism. They are envisioning what some call "a third, different road," "a human, democratic socialism"; others, like the artist Günter Grass, propose a federation of East and West Germany.

Mr. Kohl would do well to inform himself about the views of these German citizens, even if they represent a minority.

LEONORE SUHL.
Portimão, Portugal.

Jordan Could Negotiate

Crown Prince Hassan bin Talal of the Hashemite Kingdom of Jordan *("Middle Eastern Dominoes Could Fall in the Storm," Opinion, June 19)* writes of his country's loss in the 1967 war as if Transjordan became Jordan in 1948 by some preordained, beneficent transformation. It was the product of brute force. All Jews in the conquered areas were banished, their houses of worship laid waste and two-thirds of some 60,000 Jewish gravestones were removed, demolished or desecrated. Jews or whatever nationality were denied access to all Jewish holy places, including those in Jerusalem and Hebron.

The prince laments that the *intifada* has resulted in Palestinians liquidating more than $250 million worth of dinars, thus damaging the Jordanian economy. The other side of the coin is that Arabs in the territories can bank outside Israel. By contrast, Israelis are, to their comparative detriment, confined to their own currency.

He says we can hardly afford to wait to negotiate until the Arabs and Israelis make suitable compromises. That is right. I suggest, as a beginning, that Israel and Jordan enter into bilateral negotiations. The only fly in the ointment is that the Arab oil producers would punish Jordan by depriving her of financial assistance, just as they punished Egypt for making peace with Israel.

SUE G. LERNER.
Jerusalem.

The Tribute to De Gaulle

I believe France's June 18 "Homage to Charles de Gaulle" will long be remembered as the high point of the summer of 1990 in Paris. But I found myself wondering why the tribute focused solely on de Gaulle's efforts to unite France against the German war machine. His greatest years of triumph were from 1958 to 1969, when he returned to establish and lead the Fifth Republic. Could it be that the government is trying to reignite the "flame of French resistance" to a powerful, united Germany?

ARIC R. SCHWAN.
Paris.

Will California Be Next?

There is a lesson for the United States in Canada's constitutional problems over the French-speaking "distinct society" of Quebec. With the ever-increasing Latin minority changing the culture of America, it is only a matter of time before California will demand to be regarded as a distinct society, and to use Spanish as its official language.

R. THOMPSON.
Monaco.

Saving Time Was the Flag Under Which We Set Sail

By Hans Koning

ON A RAINY Saturday near midnight, I was in a taxi circling through the eastern dockyards of Le Havre, the French channel port. I was looking for my ship, a Polish freighter due to sail at 3 A.M. for Halifax and Port Newark, New Jersey. There wasn't a soul on the streets and the quays lay empty under the chalky arc lights.

In the days before jetliners, I often made the Atlantic crossing by ship. I have a passion for the sea. It stems, I think, from a childhood in Amsterdam, where children used to lie in their beds

MEANWHILE

listening to the ships' sirens the way American children once listened to the whistles of night trains.

Now after many years I had decided to make that sea voyage one more time, and not on one of those floating-hotel cruise ships, but on a European freighter carrying a couple of passengers.

I had arrived in Le Havre two days early because freighters don't follow a precise schedule. The port agent had told me, "Saturday noon," and then, when the weather turned and a stiff southwester started blowing, "Saturday night." He had also said that any taxi driver would know the quay, which turned out to be wishful thinking.

Eventually we found some life though, three port employees who were cheerfully having a drink in a kind of guard house. They told me to put my stuff in their van and one of them would drive me to the ship when it docked; they'd know from their radio.

An hour later, I stood on a quay as my companion pointed into the murky distance and said *"Le voilà,"* or "There he comes." (In English, ships are feminine, in French they're masculine).

My heart sank. A huge and dirty white tub had appeared, being pulled backward out of the haze. It was stacked so high with containers on every bit of deck space that it didn't show the lines of a ship, but looked like a floating, top-heavy warehouse.

"My God, he's ugly," I muttered.

The port worker chuckled and asked, "Shall I drive you back to the train station now?" But that was no longer a practical option, and presently I climbed the very high and steep gangway of the ship until I reached a hole in the wall of steel containers. A tunnel through the cargo led to the narrow tower with the cabins and the bridge.

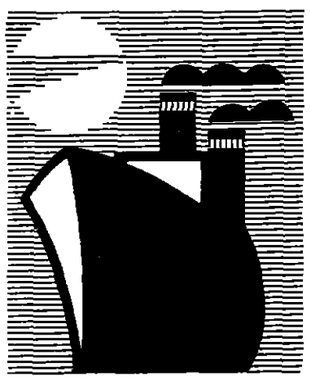
We weren't top-heavy, the captain told me later, but we were a roll-con ship, which meant that below deck there were no bulkheads but a vast space for trucks to drive right into. I had never heard of that kind of construction being allowed on an ocean-going ship. Wasn't it dangerous? "The owners want to save time," the captain said somberly. "All ships are dangerous."

Saving time: that was the flag under which we sailed. Well, even China tea clippers once counted the days, but this was counting minutes. The freighter had a six-hour turnaround in port, and many of the crew had now been in Canadian, U.S., Dutch, French, and German waters, for months on end without setting foot ashore.

Down on the quay, a taxi was kept waiting in the rain by three Le Havre ladies of the night who were making a house call on the crew. And a sad and miserable business it looked, when after an extremely short time the three reappeared in their plastic coats, tiredly climbing down that endless gangway.

"When I started out twenty years ago it used to be such an adventure," the captain said. "You'd see a beautiful girl in Brazil or Japan and think about her for months. If I had known I'd not have gone to sea; it's like forced labor now, except it's more dangerous."

The crew was so short-handed that the captain couldn't allow any alcohol on the ship, except for two beers each when they were off duty; it would be too dangerous. They drank those beers in the dark lounge — dark because of the containers outside the windows — while watching videos of detective films bought in Rotterdam harbor. The films were American with Dutch subtitles. Only the captain



and the radio officer understood any English, and no one read Dutch.

Topside, I watched the bridge officers sitting with their heads tucked into the sleeves of the radar sets and coming off their watch with red-rimmed eyes and as pale as any office clerk. This was the end of my romance with the sea, I decided. But there was still the odd moment, as out of the past, such as standing on the deck in the dripping mist when suddenly the sun would break through and I was riding at great speed and in a high wind a hundred feet above the blue of an infinite ocean, like a mythical hero on his winged horse. How great it used to be!

International Herald Tribune.

GENERAL NEWS

The Turkish Identity Crisis

Changing Relationship With West Provokes Self-Doubt

By Jonathan C. Randal
Washington Post Service

ANKARA — Turkey is showing signs of experiencing a major identity crisis as principles, largely unquestioned since Mustafa Kemal Ataturk founded the modern republic on the ruins of the Ottoman Empire after World War I, face new challenges, according to diplomats and political analysts.

In rapid succession in recent months, Turkey's keystone relationships with the West have undergone wrenching change, provoking self-doubt unequaled since Ataturk swore to turn his backward, Moslem country resolutely westward.

The end of the Cold War leaves Turkish officials wondering if their country's long, crucial role along the North Atlantic Treaty Organization's southern flank facing the Soviet Union remains as valid an asset to its allies as in the last four decades.

Officials also worry that East-West disarmament may compromise Turkey's hopes of modernizing its weaponry with F-16 aircraft and new tanks. Senior American officials have said that a reduced U.S. global role will eventually involve cuts in military aid, now scheduled to be $545 million in fiscal 1991.

NATO's probable transformation into a more political operation and the possible decline of its integrated structure raise fears that Turkey may no longer be able to take Western support for granted in dealing with its unstable neighbors — Christian Armenians in the Soviet Union, Islamic fundamentalist Iran and hostile governments in Arab Iraq and Syria.

The 12-nation European Community indefinitely postponed a decision in December on Turkey's application for full membership, and Turkish officials are worried that the setback may prove permanent. The Community cited Turkey's near 3 percent annual population growth, human-rights violations, the unresolved Cyprus question and a comparatively underdeveloped economy.

But Turkish officials say they suspect that Western Europe really objected to absorbing 55 million Moslems into what amounts to a Christian club, and they fear the Community will give priority to integrating Moscow's former Eastern European satellites.

Such shocks to basic tenets of Turkish policy, many diplomats and local political analysts say, come as Turkey appears to be drifting dangerously with the prospect of weak coalition government on the horizon.

The ruling Motherland Party scores in the low teens in public-opinion polls. Its longtime leader, former prime minister and now president, Turgut Ozal, is scarcely more popular.

After years of impressive growth, Turkey's experiment with an export-driven market economy is beset by such major problems as 70 percent inflation and feather-bedded state enterprises.

Western-oriented bankers in Istanbul or businessmen in Adana or Izmir privately rail against what they call "two-speed Turkey," complaining that the prosperous, Europe-inclined west of the country is being held back by outdated notions of government in the east.

A civil war rages in the southeast against Kurdish rebels fighting for independence from sanctuaries in Iran, Syria and Iraq.

The army is known to worry that granting Kurdish cultural demands will inevitably lead to the country's dismemberment, which Ataturk overcame in thwarting Greek, French and British designs against Turkey after World War I.

The turmoil in neighboring Soviet Armenia has revived such fears. So, too, has President George Bush, who in April fulfilled a campaign pledge by endorsing Armenian Americans' claims that Turkey deliberately massacred its Armenian minority during and after World War I.

Turkish officials say they fear the Bush statement will serve as a precedent for further Armenian claims, including demands for formal acknowledgement of Turkish responsibility for the huge loss of life, reparations and even revisions of Turkey's eastern border.

Moslem fundamentalism is on the rise once again and has made inroads in government offices like the education and culture ministries and reportedly also in some counterintelligence and police operations.

Cheney Ties U.S. Aid to More Cuts in Soviet Arms

By Molly Moore
Washington Post Service

WASHINGTON — Defense Secretary Dick Cheney said Monday that he opposed U.S. economic aid to the Soviet Union unless it imposed greater cuts in military spending and ended subsidies to Cuba, Afghanistan and Angola.

"The Soviets have a long way to go before I would accept the notion of economic assistance to the Soviet Union," Mr. Cheney said.

He added his concerns to the growing list of demands by top U.S. officials wary of providing aid to the Soviet Union.

The issue, increasingly debated since France and West Germany proposed economic aid plans recently, is expected to be a major topic at the economic meeting of the seven industrial powers in Houston next month.

Mr. Cheney also said he was concerned that because the dismal economic situation in the Soviet Union had fueled much of the changes there, he would be hesitant to support financial assistance without guarantees that the money would be spent properly.

U.S. financial assistance could "impede the progress of reform," Mr. Cheney said.

The secretary, who has been more pessimistic about Soviet change than any other member of President George Bush's cabinet, said that while Soviet military spending decreased in 1989, Moscow continued to pump tremendous amounts of money into strategic programs.

In response to reports that the Soviet Union was removing some of its nuclear weaponry from regions of political instability inside the country, Mr. Cheney said, "At this point I don't believe there is any reason for concern" that the weapons would fall into the hands of rebel or belligerent forces.

He said he believed that the Soviet Union maintained adequate command and control over its nuclear forces and could protect them in the event of internal disturbances.

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SUNDAY CROSSWORD — ENOUGH
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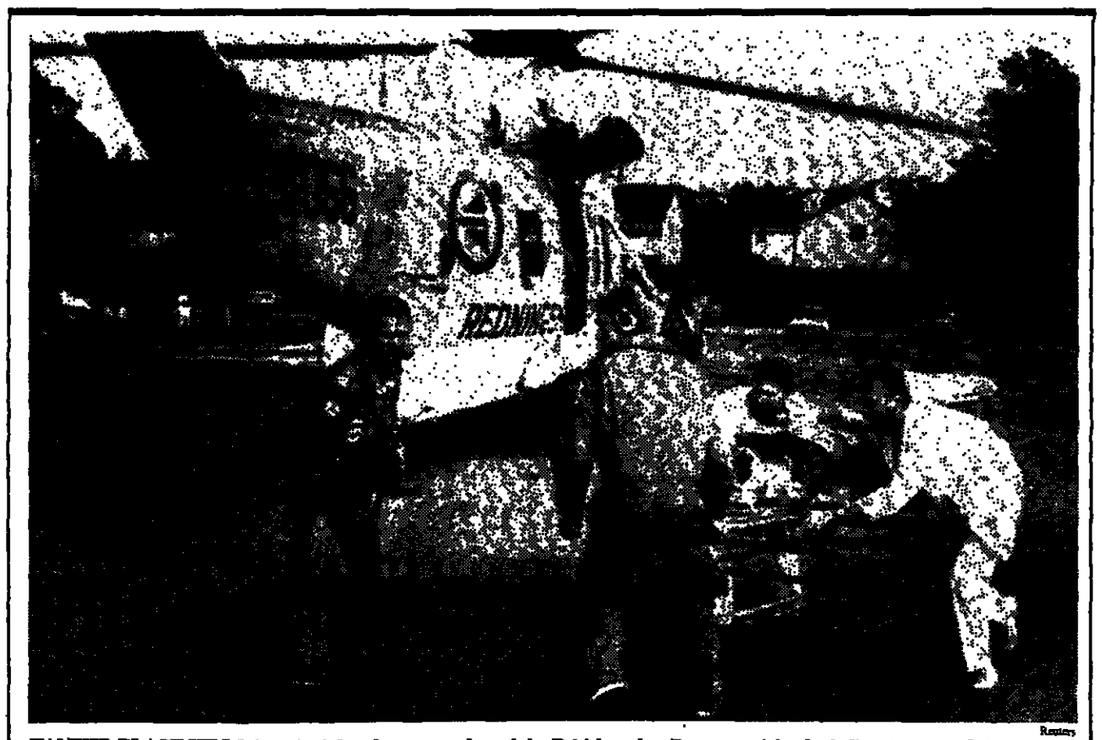


Reuters

TANKER BLAST KILLS 3 — An injured crew member of the British tanker Rapana arriving by helicopter at an Oslo hospital. Three seamen were killed when two explosions ripped through the tanker off Norway, Shell Oil Co. said. There were no reports of pollution from the tanker, which was carrying 20.5 million gallons of Iranian oil. A fire on board had been put out, a spokesman said.

Peace Corps on Alert in Manila

The Associated Press

MANILA — The U.S. Embassy has ordered all Peace Corps staff members in the Philippines to return to Manila because of intelligence reports that Communist rebels planned to kill volunteers, American officials said Tuesday.

Ambassador Nicholas Platt issued the order last weekend but delayed the public announcement for security reasons, said the embassy spokesman, Stanley Schrager.

He said no decision had been made on when the 261 volunteers would be allowed to return to their posts, many of which are in isolated and poorly protected areas.

Mr. Schrager said the embassy had received a report that Peace Corps volunteers had been added to the target list of the New People's Army.

"This became an issue because recently we received information suggesting that Peace Corps volunteers may be targets of political violence by the NPA," Mr. Schrager said.

He refused to identify the source of the report but said the embassy took it seriously.

The Communist rebels claimed responsibility for killing two U.S. airmen last month near the American-run Clark Air Base and had vowed to kill more until all U.S. troops leave the Philippines.

Eight Americans are believed to have been killed by the rebels since April 1989.

At the Admiral Hotel, where many Peace Corps volunteers were temporarily housed, several said they were ordered to Manila on short notice but were not briefed on the reason beyond having been informed of the embassy's official statement.

Peace Corps volunteers are stationed throughout the main island, Luzon, and the central Visayas chain, including Negros. Volunteers were recalled from the southern island of Mindanao in 1985 because of lawlessness and never returned.

Volunteers are involved in projects including education, environment, agriculture and community development.

The rebels have made no specific public threats against Peace Corps volunteers but have charged that U.S. and Japanese aid workers were secretly assisting the government in counterinsurgency operations. Washington and Tokyo deny the charges.

On May 29, rebels on Negros Island kidnapped Fumio Mizuno, a training director for a private Japanese aid group.

Last week, the Philippine military said rebels operating in Manila planned to kidnap and murder foreigners, especially Americans, over the next six months.

Last month, the U.S. government authorized "imminent danger pay" for diplomats, troops and other federal employees because of Communist threats.

Because of the security threat, the U.S. military has allowed dependents of U.S. troops to return home at government expense before the service member's tour of duty ends.

China and Soviets End Border Talks And Plan More

Reuters

BEIJING — China and the Soviet Union ended a first round of talks Tuesday on military force reductions intended to strengthen trust along the Chinese-Soviet border, the official Xinhua press agency said.

The only agreement reached during the negotiations, which began on June 15, was to hold further talks in Moscow this autumn, according to Soviet Embassy sources.

The two sides discussed how to carrying out an accord on demilitarization reached during a visit to Moscow by Prime Minister Li Peng in April. The talks, described by Xinhua as limited in scope, were the first since Mr. Li's visit.

China and the Soviet Union, deeply divided over ideology and foreign policy, clashed along the lengthy border in 1969.

Gennadi Kireev of the Foreign Ministry led the Soviet delegation. The Chinese delegation was headed by Liu Guangzhi.

Club Attack Marks IRA Resurgence

Compiled by Our Staff From Dispatches

LONDON — After a string of attacks on military targets, the Irish Republican Army has apparently reverted to a more indiscriminate terror campaign in bombing the Carlton Club, a symbol of Britain's Conservative establishment and a meeting place for politicians and cabinet ministers.

The IRA took responsibility for the attack, issuing a statement on Tuesday that read in part:

"Like Brighton in 1984, the IRA has brought the war directly to those who keep the British Army on the streets and in the fields of Ireland. While such occupation continues, and the Nationalist people face daily oppression, the policymakers and their military arm will not be safe."

"This is terribly shocking," said Lily Kaberry, wife of Lord Kaberry of Adel, 82, a former vice chairman of the Conservative Party who was one of nine wounded in the blast late Monday. "It is everyone who has to live in fear now, not only the army but civilians and politicians."

Prime Minister Margaret Thatcher, attending the EC summit meeting in Dublin, condemned the perpetrators for displaying "a total and callous disregard for human life, both within the club and among passers-by."

"These people are prepared to bomb and maim others indiscriminately for their own perverted satisfaction," she said.

Mrs. Thatcher is an honorary member of the Carlton, an all-male club that feted her last year to mark her 10th anniversary in power.

It was the first attack on the Conservative Party since 1984, when the IRA bombed the Brighton hotel in which Mrs. Thatcher and other politicians were gathered for a party convention. The explosion killed five people and narrowly missed the prime minister.

The police said they saw the bombing as part of a stepped up campaign. Unidentified young IRA operatives are believed to have been sent to the British mainland. And reports indicate that the IRA has obtained large quantities of explosives from Libya and other sources.

George Churchill-Coleman, head of the anti-terrorist squad at Scotland Yard, said the bomb contained as much as 15 pounds (7 kilograms) of explosives.

The blast collapsed about half of the ground floor into the basement, shattering windows, scattering debris outside the club and touching off a fire. *(AP, Reuters, AFP)*

10 YEARS AGO

1940: Republican

STAGE/ENTERTAINMENT

Arwd Lagenpusch/Komische Oper Berlin

Scene from East Berlin's Komische Oper production of "Ritter Blaubart."

Next Act Vexes Berlin Opera

By John Rockwell
New York Times Service

BERLIN — "It was always so peaceful here," murmured the mild-mannered Stephan Stompor, a historian of German musical theater and the longest-tenured *Dramaturg* at the Komische Oper, East Berlin's innovative opera company.

Stompor was escorting a visitor along East Berlin's Unter den Linden. The streets were jammed with vehicles, Eastern and Western, honking and spewing exhaust, and the sidewalks spill over with vendors of West German beer, West German sausages and characters offering black market exchanges.

Like many East Germans today, Stompor faces the future positively — "freedom" is no abstraction here — but with a distinctly nervous undercurrent. Some of those concerns are personal, but his larger worry is institutional, worries that are shared by his peers throughout the country.

Recent discussions with several East German cultural politicians provided an insight into their concerns, as refracted through the example of the Komische Oper. The company has long been considered East Germany's most prestigious, with frequent tours to the West, although hierarchically it ranks after the Staatsoper on Unter den Linden, grander and more mainstream and with an institutional history of almost 250 years.

And since Berlin will likely become the capital of a united Germany, the city's operatic life will no doubt attract even greater international attention than it does today.

An innovative, privately supported theater called the Komische Oper existed in Berlin between 1905 and 1911, but the current one was founded in 1947 for the brilliant opera director Walter Felsenstein. Felsenstein died in 1975, and now only one of his productions remains in the Komische Oper repertory — Offenbach's Bluebeard opera, "Ritter Blaubart" — and that with a cast most of whom never worked with Felsenstein directly.

No Felsenstein successor has managed to match his remarkable stagings, his wonderful ensemble of singing actors and his blend of highly personalized fidelity to the works and illuminating theatrical insight.

But Götz Friedrich, who now runs the Deutsche Oper in West Berlin; Joachim Herz (now at the Semper Oper in Dresden), and Harry Kupfer (the director of the Bayreuth Festival's current "Ring") have all kept the Komische Oper a viable, internationally noted second opera house for East Berlin.

That success doesn't make the leaders of the Komische Oper any less nervous.

In a reunited Berlin, the Komische Oper will be the third among three companies. Institutional support in Germany comes from cities and states, not the federal government. Historically, the city of Berlin and the state of Prussia resisted public support for three separate opera houses.

A similar situation occurred in the late 1920s and early '30s. At that time the Staatsoper was run by Erich Kleiber (Carlos's father) and Heinz Tietjen. The direct ancestor to the Deutsche Oper was the municipally operated Städtische Oper, headed by Bruno Walter. The Komische Oper's predecessor was the Kroll Oper, run, during its four years of existence (1927-31), by Otto Klemperer.

In those years, Klemperer was hardly the craggy, glacially magisterial exponent of the classics that he became in the 1960s. He was a craggy, wild-eyed firebrand, devoted to new operas and avant-garde stagings.

His approach aroused the ire of the rightists in the Prussian parliament. Partly for political reasons and partly for financial reasons, the Kroll Oper was stricken from the budget. Chances are, if one of the current Berlin companies has to go, it will be the Komische Oper, rather than the larger, better established Staatsoper or West Berlin's pride, the Deutsche Oper, opened almost 30 years ago on the site of the prewar Städtische Oper.

Despite the high attendance at the Komische Oper (which might erode when its now-inexpensive tickets cost more in hard currency), the prospect of saving around $15 million a year may prove tempting to West Berlin's cultural bureaucrats.

EAST GERMAN musicians, like all public and private employees in that country, are already nervous about the worth of their money and the status of their pensions after economic union. But the Komische Oper employees, who number more than 400, have an additional worry, one shared by other, especially lesser, musical and theatrical companies all over the country. Whatever their former beliefs, many East German artists fear that capitalist economics will force the closing of their companies, throwing them unprotected into a crowded job market.

Economically, both East and West Germany are heirs to a tradition of state-supported art dating back to the independent kings and princes before 1870. But Europe as a whole has tightened government arts subsidies in recent years, forcing companies to seek corporate backing to supplement their public money.

East German arts administrators are inexperienced in such fund-raising hustle. The integration of the East and West German economies will have some advantages for East German companies like the Komische Oper.

While some singers in its ensemble may be tempted to go West, the company will presumably be able to attract Western singers more easily. Heretofore, Western singers, conductors and directors could only be paid one third of their wages in Western currency. Artists won't necessarily abandon the East. Star East German performers were already allowed considerable latitude when it came to appearing in the West.

Indeed, one problem at the Komische Oper now is that its current director, Kupfer, spends up to 10 months annually in the West, leaving him little time for new productions at home that could shape a distinctive, ongoing identity for the Komische Oper.

STOMPOR, for one, worries that even should the Komische Oper be retained as a functioning theater, it might be turned into a true "comic opera," with operettas and musicals, possibly even in overtly commercial, Broadway-like runs rather than the current repertory system.

Another rumor, or nervous speculation, is that the theater might become an adjunct of the Deutsche Oper, since Friedrich, who succeeded Felsenstein as head of the Komische Oper, now runs that West Berlin company.

Siegfried Matthus, East Germany's leading opera composer, has held the mostly honorary title of Komische Oper composer in residence for 25 years. Matthus has his own ideas about how to preserve the Komische Oper, and has already paid court to the West Berlin Senate, which will presumably take over financial subsidy of the East German theaters after unification.

His vision, which is not without an element of self-service, is to turn the Komische Oper into a showcase for 20th-century opera. The Komische Oper has hardly undertaken Wagner or Richard Strauss, but in other respects its repertory now often overlaps that of the city's other two companies. Why have three theaters playing "Die Zauberflöte"? he argues. Why not turn one of them into a model laboratory for the best, most innovative productions of the opera of today?

It's a stimulating idea. But whether or not it comes to pass, there would seem to be ample justification for retaining all three Berlin opera companies. Even with all of them operating 10 months a year, this metropolis's population of more than 3 million would still have proportionately fewer available seats for operatic performances on a nightly basis than smaller cities with only one company.

LONDON THEATER

'After the Fall': Anatomy of Guilt

By Sheridan Morley
International Herald Tribune

LONDON — First staged in New York a quarter-century ago, when in the aftermath of Marilyn Monroe's tragic death the author was roundly accused of grave robbery, Arthur Miller's quasi-autobiographical "After the Fall" has at last reached London on the National Theatre's Cottesloe stage.

Miller has always insisted that his play is about much else than himself and Marilyn, and perhaps not even about them in any strictly historical or marital sense. Yet her ghost pervades the second half of a long evening, and it was therefore characteristically intelligent of the director Michael Blakemore to lay that unquiet spirit forever to rest by having the doomed singer played by a black actress, Josette Simon, who brings on stage the baggage not of Hollywood but of Harlem.

Miller once noted that "After the Fall" is not "about" something — rather it "is" something, the idea that mankind is itself the only source of the violence that destroys it. In that sense, the play treats of Auschwitz and Joe McCarthy and man's inhumanity to man as well as woman, and in that sense it is the dramatization of a desolation rather than a plot. Quentin, the lawyer about to marry his third wife and determined before he does so to examine the wreckage of two earlier marriages, is an agonizingly introverted and, dare we say, long-winded self-analyst, forever treating the audience as unpaid psychiatrist while he opens up the wounds that love, family, war and heritage have carved deep.

As a play, "After The Fall" rates far below such classics as "Death of a Salesman," "All My Sons" or "The Crucible" (now also at the National), for the closer he gets to his own home, the less able Miller is to write real drama or confrontation or to deal with structure. As a result, we get Quentin's three-hour autobiographical monologue interrupted by wives, brothers, fiancées and friends, all of whom are shoved back into the supporting crowd when they have ceased to be useful to his thesis about himself.

"One day the house smells of fresh bread, the next of smoke and blood": few lines even in Miller encapsulate the death of the American domestic dream better than that, but in the end this prolonged anatomy of guilt lacks the energy to overcome the self-indulgence of the form in which it is cast. James Laurenson offers a powerful line in craggily tortured intellectual introspection, while the rest of a large but underemployed cast group themselves respectfully around his despair. Quentin is the kind of man for whom Freud was invented, but that very quality is what prevents him from becoming the man you most want to spend three hours overhearing, unless of course you are being paid to do so.

Having devised a musical about the making of a miracle, the makers of "Bernadette" (at the Dominion) have left precious little else to chance. Advertised as "the people's musical," though precisely which people is unspecified, the show comes to the stage with blessings from the Vatican and the savings of several hundred well-wishing friends of the cast and creators, none of whom, mercifully, has been asked to invest more than about $1,000. It would be churlish not to hope that they will see their money back and maybe go on to invest it in a real musical, but it would also be unwise to suggest that anything less than a miracle of Lourdes proportions could save one of the most appalling productions to have reached the British musical theater even in a time of "King" and "Carrie" and "Winnie."

"Bernadette" is not just terrible: It has a truly magnificent, gothic awfulness best summarized by the grand finale, in which several hundred candlesticks rise from the orchestra pit. I was hoping for them to be followed at the very least by Liberace in a waxwork effigy, but no such luck. The miracle of "Bernadette" is how it got to a first rehearsal, let alone a first night.

True, the program does inform us that its composers once narrowly missed getting a number into the Eurovision song contest, and their revenge has been to inflict 20 others on us here, loosely wrapped around the story of the little girl who saw a vision of the Virgin Mary in a tree.

Admirers of the Jennifer Jones movie "Song of Bernadette" will recall that Linda Darnell put in a glorious-technicolor appearance as the Virgin: All we get on stage is what appears to be a car headlight stuck up in a cardboard tree, all too perfectly symbolizing the tone of Ernest Maxin's cut-price staging.

Any show that opens with Ave Maria as its hit song is presumably putting in for the "Sound of Music" endurance award, and soon enough we get lovable leftover urchins from "Annie" and the hills are alive with the songs of nuns in close harmony. On a set resembling at best the gentleman's cloakroom of the Canterbury Cathedral Hilton, the performers sing lyrics which even they seem to have trouble believing. It seems kinder not to mention any of them by name in case they ever wish to work in the London theater again.

Gary Smith

Josette Simon and James Laurenson in "After the Fall."

Chahine: A Sharp Eye on the Past

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — Youssef Chahine, a mover and shaker of the Arab cinema, has, like his elders Kurosawa and Fellini, turned to examining his past. He has come to Paris to attend the premiere of his latest work, "Alexandria, Again and Again" which is the concluding segment of his screen trilogy about his native city.

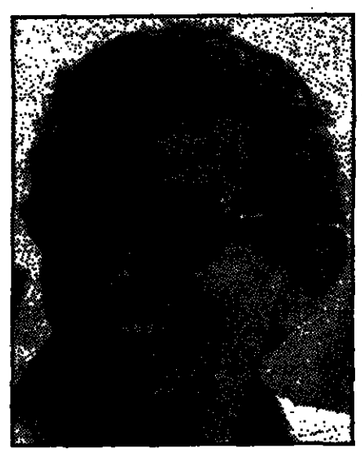
"The project, which has grown into three films," the Egyptian filmmaker said, "began in 1978 when I recreated the city in 1942 with the Nazi armies at the gates. By what seemed a miracle the enemy forces were driven back, which led to the German defeat in Africa."

"In 1981 I underwent heart surgery, and on my recovery I took the city as the setting for 'The Memory,' including my heart operation in the scenario. After that I was engaged on an epic about Napoléon's campaign in Egypt, 'Adieu Bonaparte.' Then last year I felt compelled to visit my hometown scene once more, this time to tell the story of a director — myself — whose star performer abandons his Pygmalion."

Chahine, 64, retains a youthful enthusiasm that animates his work and flashes in his conversation. A declared internationalist, he has traveled widely and speaks five languages fluently.

He was born in Alexandria. Both of his parents were of the Greek orthodox faith. His father, a modest lawyer, was determined that his son receive the best education possible, and he was enrolled in Victoria College, where his classmates were the sons of high-ranking British officials and Egyptian millionaires. It was there that Chahine made his first film, an 8mm short, which he later included in his trilogy. In his school days he was entranced by the popular American musicals, especially those of Esther Williams and Fred Astaire, and his dream was to go to Hollywood.

On graduation he worked briefly in a bank while his father accumulated sufficient funds to send him to the United States, and before long he was in California where he enrolled to study theater at the Pasadena Playhouse.



Youssef Chahine

In 1950, Cairo had become a sort of Hollywood on the Nile. Its production had increased from 23 films in 1944 to 100. Making movies was the quickest way to get rich. Three brands of films dominated: comedies with Ismael Yassin, an Arab Fernandel; musicals with the crooner, Farid El Atrache; and melodramas in which Faten Hamama, the future wife of Omar Sharif, appeared.

On his return from the United States, Chahine found work with his knowledge of Hollywood techniques. His first film, "Papa Amine," a humorous fantasy, established his reputation. He demonstrated his range by directing movies of all sorts, farces, musical comedies, epics and social studies, but his work was marked by a fresh style. He refined humor with wit and introduced a professionalism unknown in the low-budgeted quickies that were turned out in two weeks.

Chahine was a star maker, too. It was he who discovered Omar Sharif, who played the leads in three of his productions: "The Blazing Sun," a romance about an agricultural engineer who wins a pasha's daughter; "Devil of the Desert," that told of a bedouin who defies a tyrannic overlord; and "Black Waters," a thriller about a rebellious sailor who rights wrongs. All these were very popular in the Arab world, but it was another film, "Central Station," that caught attention abroad when it was selected for the 1959 Berlin festival.

Chahine cast himself in the principal part of "Central Station," playing a lame newspaper hawker whose thwarted passion for a buxom girl leads him to commit murder.

Always a free spirit, Chahine felt suffocated by the Nasser military regime, which transformed the Cairo film industry into a propaganda mill. To escape ideological censorship he went to Lebanon to rid himself of political bosses. Even today, once again in Egypt, he claims that he suffers from a lack of freedom.

"I sense that I must still fight against suppression of ideas, incomprehension and intolerance. In 'Alexandria — Why?' I pictured a love affair between a Jewish girl and an Arab boy that met objections in both Arab countries and the United States. Yet I must be frank in my work."

In his new film, "Alexandria, Again and Again" (which can be seen in Paris at the Max Linder theater as "Alexandrie, encore et toujours") Chahine is certainly candid about himself. He analyzes the ambiguous relationship between a domineering director whose star actor deserts his creator to be rewarded by petrodollars from the Middle East television companies.

Though intellectually Chahine is a cosmopolitan, knowing many lands and having given deep study to their arts and cultures, he believes it would be impossible for him to work outside his homeland.

"It is difficult time for artists in Egypt today," Chahine complained. "The mounting religious fanaticism and the constant threat of war in the region narrows minds and ways. Yet, paradoxically, it is the only place where my future work can be accomplished. I feel that like a tree I must remain on my native soil to flourish."

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ACROSS

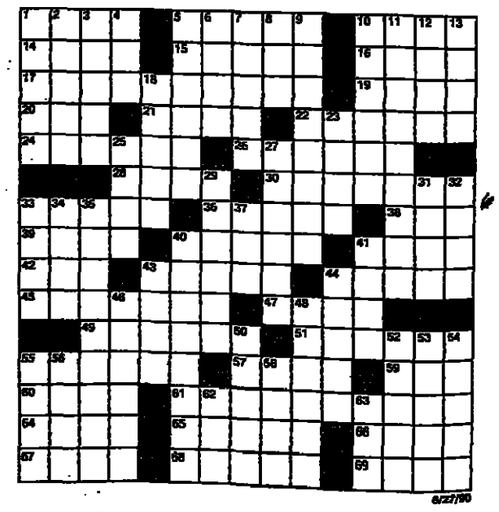
1 Area
5 "... the —— the ocean"
10 Police team
14 Fulda feeder
15 Tropical vine
16 Take on
17 "—— Polka"
19 —— even keel
20 Actor Taylor
21 Served perfectly
22 Razes
24 Equipped with a handle
26 Foot part
28 Hurl
30 Tympanum
33 Nobleman
35 What Buster Douglas won: Feb. 1990
38 Spire ornament
39 Grad
40 One-tenth
41 Glacial ridges
42 —— de plume
43 "—— Triste": Sibelius
44 Nursery character in a well
45 Kind of machine
47 Electrical units
49 Ushers' milieus
51 Correct a recording
55 Compunction
57 Certain moldings
59 "—— vobiscum!"
60 Dry
61 Va. metropolis
64 Kind of bus or skirt
65 Animate
66 G.W. was one
67 Little Sheba's creator
68 Happening
69 "—— a Song Go ..."

DOWN

1 Equus member
2 "—— a Grecian Urn": Keats
3 Sleep, food, etc.
4 Goof
5 Frozen desserts
6 Ireland, to a Gael
7 —— Gras
8 United
9 Retailer's autumnal offer
10 —— off (left)
11 Vintner's purchase
12 Russian inland sea
13 Wallet items
18 Musical wand
23 Raison d' ——
25 Molecule part
27 Infernal
29 "—— Nacht," German carol
31 Javanese tree
32 Full of mud
33 July 4 noise
34 Baseball's Felipe
35 Ransacker's action
37 "—— Magic," Cahn-Styne song
40 Unlikely story
41 Evict
43 Urn's cousin
44 —— air painting
46 A three on a par-four hole
48 Wandering
50 Allen or Martin
52 When Arbor Day comes
53 He wrote "Common Sense"
54 Precise
55 Branches of nerves
56 Actress Gray
58 Draft animals
62 Learned role on "The Waltons"
63 Start of the seventh century

Solution to Previous Puzzle

M	A	R	L	■	H	A	T	S	■	■	S	W	A	M
E	R	I	E	■	A	C	R	I	D	■	O	H	I	O
A	T	M	O	S	P	H	E	R	E	■	L	E	D	A
L	E	E	■	A	P	E	S	■	P	L	A	N	E	T
■	■	■	E	V	E	■	S	O	L	A	R	■	■	■
H	E	A	V	E	N	S	■	R	O	S	S	E	S	■
E	M	B	E	R	■	T	R	A	Y	■	Y	A	L	E
R	E	I	N	■	B	E	A	T	S	■	S	T	E	S
A	N	D	I	■	A	L	E	E	■	S	T	E	P	S
■	D	E	N	T	A	L	■	D	E	T	E	N	T	E
■	■	■	G	I	L	A	S	■	R	O	M	■	■	■
B	O	N	S	A	I	■	A	L	A	I	■	O	N	E
A	M	A	T	■	T	E	L	E	S	C	O	P	E	S
L	E	N	A	■	E	M	O	T	E	■	R	I	O	T
L	I	A	R	■	■	E	N	O	S	■	B	E	N	E



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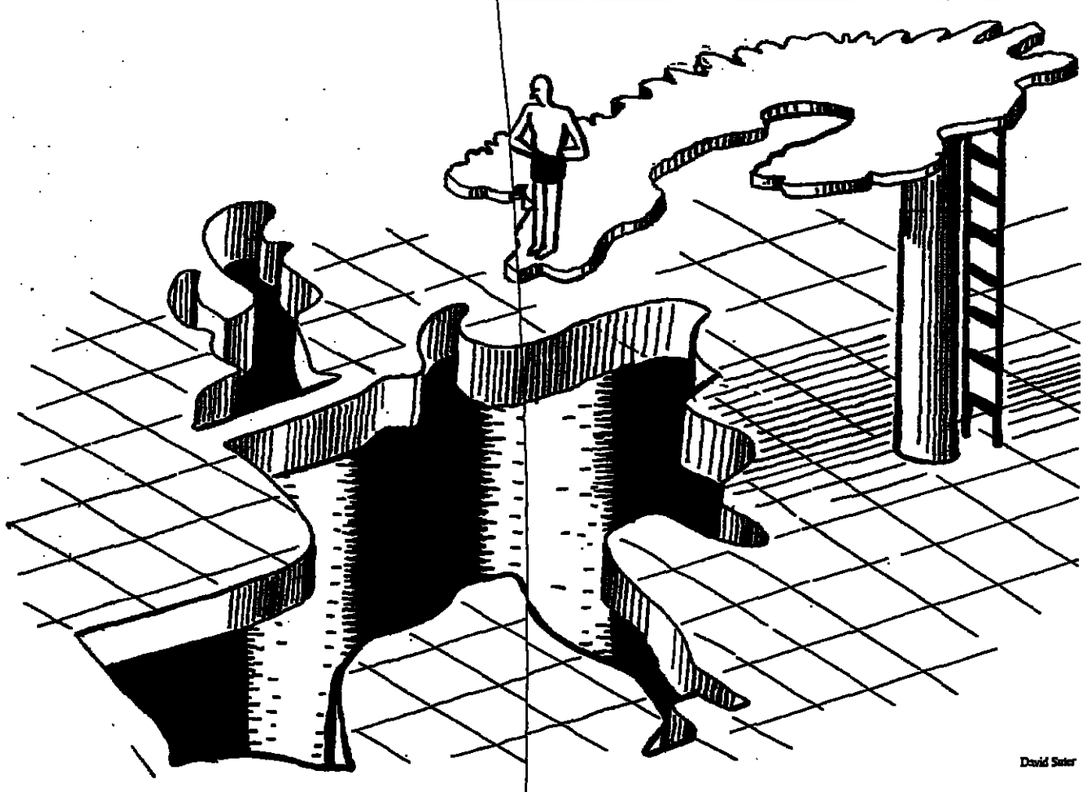
Sweden: Forever Neutral?



David Suter

New Fighter Takes Some Public Flak

By Joseph Fitchett

LINKOPING, Sweden — Its fuselage and wings bright silver and not yet painted in the dark mottled camouflage of the Swedish Air Force, the long low fighter bore only a single identifying mark as it was rolled out of its hangar for a final flight trial last month: 449-37, the 449th plane of Saab's model 37. It was the last Viggen, the powerful warplane that has defended Sweden's skies for nearly 15 years.

As test pilot Arne Lindholm cautiously gunned the plane toward the apron on the military side of Linkoping airport, his Viggen dwarfed a nearby white fighter marked simply JAS 39-2. Shimmering in the heat waves of the Viggen's heavy exhaust, the small warplane, with its compact curves and stubby wings, had the look of a lethal hummingbird.

The JAS is the Swedish air-defense fighter of the future. Like the Viggen, it is being designed and produced in Sweden's only aircraft factory, the Saab installation in Linkoping, an hour's flight southeast of Stockholm. Executives there say that the JAS should have little trouble prevailing in combat — if it can survive the controversies swirling around its development.

Already, the JAS Gripen program has survived an incident that occurred when the first prototype crashed last year on a test flight. Mr. Lindholm, who by coincidence was also the pilot that day, ejected safely, but when the accident was traced to a design flaw in the plane's computers, managers of the JAS program were fearful of a backlash against the plane and its highly experimental technology.

Despite extensive television coverage of the crash, public opinion polls later showed that, broadly speaking, support remained unshaken for the new Swedish plane.

The main question mark over the plane's future is the high — and still unknown — investment cost, at a time when declining East-West military tensions have prompted many governments to curtail new weapon systems.

Predicting that the JAS will be built in large numbers, a Defense Ministry official said: "If the Soviet Union reverts to more militaristic control, we will need the plane to maintain credible armed neutrality in Sweden; if the Soviet Union continues disengaging militarily,

Continued on page 11

The 'Swedish Model' Is Still Alive

By David Bartal

STOCKHOLM — Long the envy of many other nations for its well-ordered labor-management relations and stable, often boring politics, welfare paradise Sweden was plunged into political limbo and economic disarray early this spring.

This unusual state of affairs, which led some foreign newspapers to trumpet the death of the Swedish model, was precipitated by the government's proposal of a drastic package of economic reforms intended to come to grips with double-digit inflation, a ballooning current accounts deficit and an overheated labor market.

Included in the austerity package suggested by the minority Social Democratic government was a two-year ban on strikes and a freeze on wages, prices and stock dividends. When parliament said no to the draconian policies, the government fell.

The sense of emergency was heightened by a labor conflict in the banking sector that closed all the banks in the country for three weeks.

There was also a danger at one point that a new election might be called. But when the shouting stopped and the dust settled, the Social Democrats were back in the driver's seat, this time with a less severe austerity program and a new finance minister.

"The rumors of the death of the Swedish model were much exaggerated," said Allan Larsson, finance minister for the past three months, in an interview.

"In February, we got a lot of negative publicity. Today we are in fact still alive and formed a majority for our economic policy, and we can see that things are now moving in the right direction."

Nevertheless, few analysts expect key economic indicators to turn upward for Sweden soon. Skandinaviska Enskilda Banken, for example, forecasts two tough years with low growth and high inflation. The gross national product will grow slowly this year, and next year there will be basically zero growth, S-E Banken predicted in May. Inflation is expected to remain near the 10 percent level in 1990 and 1991, which will keep interest rates from falling substantially.

Mr. Larsson said, "There is a gap between what people say, and what they are actually doing."

Signs of renewed confidence in the Swedish economy include an upturn in stock prices, a cooling of wage drift and a slight drop in interest rates.

During the past three months, share prices on the Stockholm Stock Exchange climbed an average of 13 percent, recovering the ground lost at the beginning of the year.

"Interest rates have also gone down since

Continued on page 10

Suddenly, the Nation Finds Itself Debating Core of Foreign Policy

Government Asserts Traditional Stance After Poll Reveals a Shift in Sentiment

By Henry Tanner

STOCKHOLM — The neutral Swedes are not about to scrap a foreign and defense policy that has kept them out of all wars since Napoleon and served them well for so long in many other ways.

But beneath the surface of neutrality-as-usual there are signs of flux.

One of the signs was a recent opinion poll in which more than half the respondents, to the surprise of politicians on all sides, came out in favor of full Swedish membership in the European Community — in stark contradiction to the long-held government view that this would be incompatible with neutrality.

Among Conservatives, a party where pro-European feeling has long been strong, more than 80 percent favored membership. Liberals, another opposition party, also voted massively "yes." But even among Social Democrats, the governing party, about 38 percent came out for membership, as did a slightly smaller portion of Center party voters — both groups going against the well-publicized positions of their party leaders.

The poll was interpreted as a "startling" change in public opinion. But government officials complained that the questions were too general and made it too easy to reply "well, yes, in an ideal world, we should be members." In fact, they said, Swedish policy depended on such unforeseeable circumstances as the shape of the future European security system and what additional tasks the community would give itself.

The desire to share in the future prosperity of a united Europe is among the foremost reasons that many Swedes are taking a jaded new look at their traditional neutrality, according to politicians on all sides of the issue. The upheavals of the last nine months in the Soviet Union and Central Europe and the lessening of East-West tensions obviously are the main cause of the swing in the mood.

"Many Swedes are afraid that we are getting isolated from the European mainstream," a political commentator said.

"Whom are we going to be neutral against?" he asked, saying that the Cold War is over, the Warsaw Pact disintegrating, NATO losing its military relevance and Europe ready to assume a vastly enhanced role between the declining Soviet empire and an increasingly aloof American superpower. He defined Swedish neutrality as "refusing membership in peacetime alliances so as to be able to be neutral in war," and added that precisely these peacetime alliances are now withering away.

"Suddenly, we are having a national debate," a member of the opposition said. The debate started a few months ago and is extending "even to the government and the Social Democrat leadership," added a leading Social Democrat.

EVEN though relations with the European Community are the issue most immediately at stake, the debate clearly takes in Sweden's entire foreign and defense policy, including the fundamental question of neutrality on which, in the past, the national consensus had been so complete as to amount to unanimity.

The foreign-policy debate comes on top of a no less fundamental, often heated controversy about domestic social policy and the future of the Swedish model of the welfare state over which the government fell last February.

Ideas that would have been regarded as near-treasonable a short time ago are now being voiced in newspapers, specialized publications and think-tank seminars without causing even a hint of public outrage, a former diplomat said.

The new ideas include the suggestion that Sweden, in the post-Cold War age, should emphasize concepts like "sovereignty" and "independence" rather than "neutrality," he said. He added that the notion is gaining

Continued on page 11

The hallmark of constant development.

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The Parent Company's order backlog at year end was more than SEK 16 billion, which represents an increase of more than 30 per cent compared to 1988.

During the year, approximately SEK 3 billion was invested in properties managed by Skanska, with increasing investments overseas. The corporation share portfolio showed a very positive development. A number of international contracts were gained.

The preceding years' trend has continued, and indicates growth as a result of both company expansion and acquisition. During 1989, Skanska acquired a 33 per cent share in Norway's leading contracting company, Selmer-Sande Entreprenør a.s.

Skanska further reinforced its position in the North American market with the purchase of Slattery Associates Inc. The company also increased its previous 49 per cent holding in Karl Koch Erecting Co Inc with the purchase of an additional 41 per cent of the shares. In April 1990, Skanska purchased Sordoni Construction Company. With annual sales of about USD 180 M, this project management company is active in the New York area.

The declining Swedish market compels increased activity on the international front, in the construction as well as in the acquisition of properties. Skanska acquired a number of major development projects in such cities as Copenhagen, Frankfurt, Munich, Hamburg and Budapest. The nature and speed of political change in Eastern Europe has led to a more open market, and makes our presence there more interesting.

The Skanska Group reports a consolidated operating income after depreciation of SEK 1,432 M in 1989 and income after financial items reached SEK 2,035 M. Income before allocations and taxes rose to SEK 2,744 M. The outlook for 1990 indicates that group income before extraordinary items will reach at least the same level in 1990 as in 1989.

Lars-Ove Håkansson
President and CEO

SKANSKA 1989

Consolidated Balance Sheet, December 31, 1989.
In millions of Swedish Kronor (SEK M).
Exchange rate: SEK 1,000 = USD 165 (April, -90).

Assets

Bank balance		2,416
Receivables		11,078
Investment and development properties		14,012
		27,506
Other receivables		1,126
Shares and participations		5,865
Machinery and equipment		1,505
Fixed-asset properties		1,359
		9,855
		Total: **37,361**

Liabilities and shareholders' equity

Current liabilities		
Uncompleted contracts		8,633
Invoiced sales from beginning of contracts	27,447	
Accumulated expenses from beginning of contracts	–22,481	4,966
		13,599
Long-term liabilities		12,492
Untaxed reserves		5,930
Capital stock		630
Reserves		3,176
Net profit for the year		1,534
		23,762
		Total. **37,361**

Consolidated revenues 1989 - SEK **29,806 M**

SKANSKA

SKANSKA, S - 182 25 Danderyd,
Sweden, Tel +46 (8) 753 80 00,
Telex 115 24 skanska s, Telefax +46 (8) 755 71 26

Inflation Forces A Reshuffle of Economic Policy

Riksbank Bars Devaluation As Interest Rates Drop Back

By Brian Martin

LONDON — The political crisis that struck Sweden in February, forcing the resignation of Ingvar Carlsson's Social Democratic government, reflects the severity of the economic difficulties that the country now faces.

Inflation has been climbing steadily over the past four years and is set to remain entrenched at around 10 percent for much of this year. The current account of the balance of payments is also deteriorating rapidly, and this year real gross domestic product growth will be less than 1 percent.

Sweden is suffering from a chronic lack of international competitiveness, caused mainly by a cost-push inflation spiral that is strangling the economy.

Therefore, while it is fair to say that Sweden's problems begin and end with inflation, the policy options that are available to the government to help rectify the domestic imbalances are considerably more interesting. On the fiscal side, the main options available to Stockholm at the moment are a series of supply-side measures, which, if implemented properly, should reduce the bottlenecks in the labor market and bolster industrial capacity.

Having failed to win parliamentary support for a ban on strikes and a wages and prices freeze in February, Mr. Carlsson, with the aid of Finance Minister Allan Larsson, has managed to strike a deal with the opposition Liberal Party. This has allowed the government to introduce a temporary 1 percent increase in the value-added tax from July 1 to the end of 1991 and abolish or cut back on numerous welfare programs. By reducing disposable income and budgetary spending, it is hoped that rising wage costs (forecast to increase 9.5 percent to 10 percent this year) and inflation can be curtailed.

Additionally, to help reduce bottlenecks in the labor market and attract marginal workers, the government is intent on revolutionizing the archaic income tax structure. Mr. Larsson aims to cut the marginal rate of tax from 72 percent to 50 percent. And by making the system of tax collection more homogenous, the tax burden on Swedes should only be reduced from 56.4 percent to 54 percent.

But while these measures have been well received by the financial markets (yields on short-term money-market instruments have fallen by about 200 basis points since April), their effects on the real economy will not become apparent until well into 1991. As a result, there are some commentators who feel that Sweden will not be able to manipulate its economic imbalances for that length of time.

One body of opinion feels that the time is ripe for a devaluation of the krona against its currency basket. As with the last devaluation of the currency in 1982, by 16 percent, they argue that such a move would boost the profitability of the export and corporate sector, help promote investment and, in turn, achieve a higher rate of economic growth. But given the extent of domestic inflation pressures, particularly the wage-cost spiral, such a measure could easily exacerbate the present structural difficulties and, over the medium term, lead to a deterioration rather than improvement in international competitiveness.

And the Riksbank (the central bank) is firmly set against devaluation, arguing that its function is to maintain a fixed exchange rate while balancing currency inflows and outflows.

Due to the lack of government earlier this year, monetary policy had to take the strain of managing the economy. Both the high degree of uncertainty and the bank strike forced the central bank to push interest rates up by 250 basis points. However, the greater degree of political stability that now exists, coupled with better-than-expected statistics on the economy, have allowed interest rates to drop back to levels before the February "political crisis" (6-month T-bills yield 13.4 percent).

But this reduction in interest rates (last month the discount rate was cut from 12 percent to 11 percent) does not mean that monetary policy is lax. Indeed, the risks for interest rates are all on the upside. In April, prices rose by 10.1 percent, year-on-year, more than five percentage points above that of main trading partners. And with wage costs rising strongly, it is not surprising that both the trade and current accounts are set to deteriorate considerably over the course of 1990. In general, estimates suggest that this year the current account gap will widen to 50 billion kronor ($8.3 billion) per year against 32.3 billion kronor last year. Similarly, the trade surplus is forecast to slip to 12 billion kronor against 18.7 billion kronor for 1989.

But while the Riksbank is determined to steer a steady ship in terms of the exchange and interest rates, it nonetheless pointed out in its last quarterly review that it is not its job to get inflation down.

"The economic imbalance currently characterizing the Swedish economy suggests a continuation of high interest rates," the review said. "Inflation must come down before we can expect a sustained decrease in market rates. The inevitable link between interest rates and the objective of defending a fixed exchange rate means that it is not the task of the monetary policy to pave the way for lower interest rates."

Obviously, and correctly, the central bank feels that the only path to take in an environment of high capacity utilization — unemployment for 1991 is estimated at 1.8 percent — is one of stability for the exchange rate. And although GDP growth is set to slow to less than 1 percent this year, it appears that the central bank does not rule out recession as a means of resolving the domestic imbalances.

BRIAN MARTIN is a financial journalist based in London.

Finance Minister Allan Larsson has presented new economic proposals that would reduce the rate on personal income taxes but increase sales tax.

Presseens Bild

Despite Crises, the 'Model' Is Still Alive

Continued from page 1

their top levels in February," Mr. Larsson added. "And that has happened although they have been going up abroad."

Another hopeful sign is a slowing down of the wage drift.

"When I talk to people in trade unions and in business, I can see a new and more realistic attitude," he said. "There is a feeling that 1991 can be the time when we will shift ground in the costs development."

For decades, economists have warned of the dangers of steadily increasing production cost and stagnating productivity, which erodes the ability of Swedish firms to compete internationally. These problems were temporarily solved in 1982 by a 16 percent devaluation of the krona.

The wage costs/inflation spiral is fueled by an overheated labor market, with unemployment currently riding at an enviable 1.5 percent.

ONE WAY for the Swedish government to help break the cost spiral could be to lower public spending, which accounts for 61 percent of the gross domestic product. This is easier said than done in a country where almost everybody gets his own piece of the cake in the form of wages, subsidies (monthly payments to all parents with young children, for example) or pensions.

The duty of a minister of finance in a Swedish Socialist government, said Mr. Larson, "is sometimes to say that we can't do everything immediately. We have to make the resources before we can spend them."

One of Mr. Larsson's first actions after coming to office was to postpone a planned extension of parental leave benefits and other welfare plums promised by the Social Democrats during the last election. This infuriated many party members, leading to charges of betrayal. At the same time, a "temporary" 1 percent increase of the value-added tax was imposed to dampen private consumption, and the government set a two-year cap on tax increases for local communities.

"This tax freeze will force the communities to make important structural reforms in their activities," Mr. Larsson said. "The next step is to see what we can change in the public sector so that we can get more bang out of our bucks."

The finance minister and others have high expectations for the planned restructuring of the national Swedish tax system, engineered by former Finance Minister Kjell-Olof Feldt.

During the next two years, income taxes will be lowered to 50 percent from the present top marginal rate of 72 percent, but indirect taxes will be raised to make up the difference. The total tax burden, about 56 percent of the gross national product, will remain the same.

This reform is intended to allow Swedish wage earners to keep more cash from their paychecks in their pockets, thereby stimulating them to work more hours and save more money. The downside of the reform is that it will also fuel inflation.

FROM THE POINT of view of Swedish industry, two large dark clouds remain on the horizon: Sweden's position outside the European Community and the consequences of a commitment to turn off the country's 12 nuclear energy plants by the year 2010.

The nuclear plants provide about half of the nation's electricity, and it is far from certain at this point how fast, and at what cost, they can be replaced.

Increased labor and energy costs, as well as the concern that Sweden will be on the wrong side of the fence when the European single market swings into action in 1993, are some of the reasons Swedish direct investments in the EC climbed to 30 billion kronor ($5.4 billion) last year, from about 5 billion kronor in 1986. A popular joke in the Stockholm business community is that Sweden does not need to apply for EC membership; all the large firms already belong.

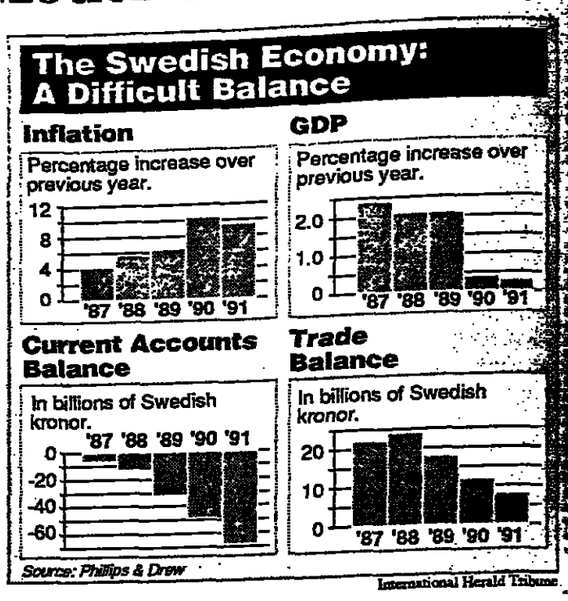
Mr. Larsson argues that the market increase of Scandinavian acquisitions abroad is a sign of the impressive financial strength of Swedish multinationals.

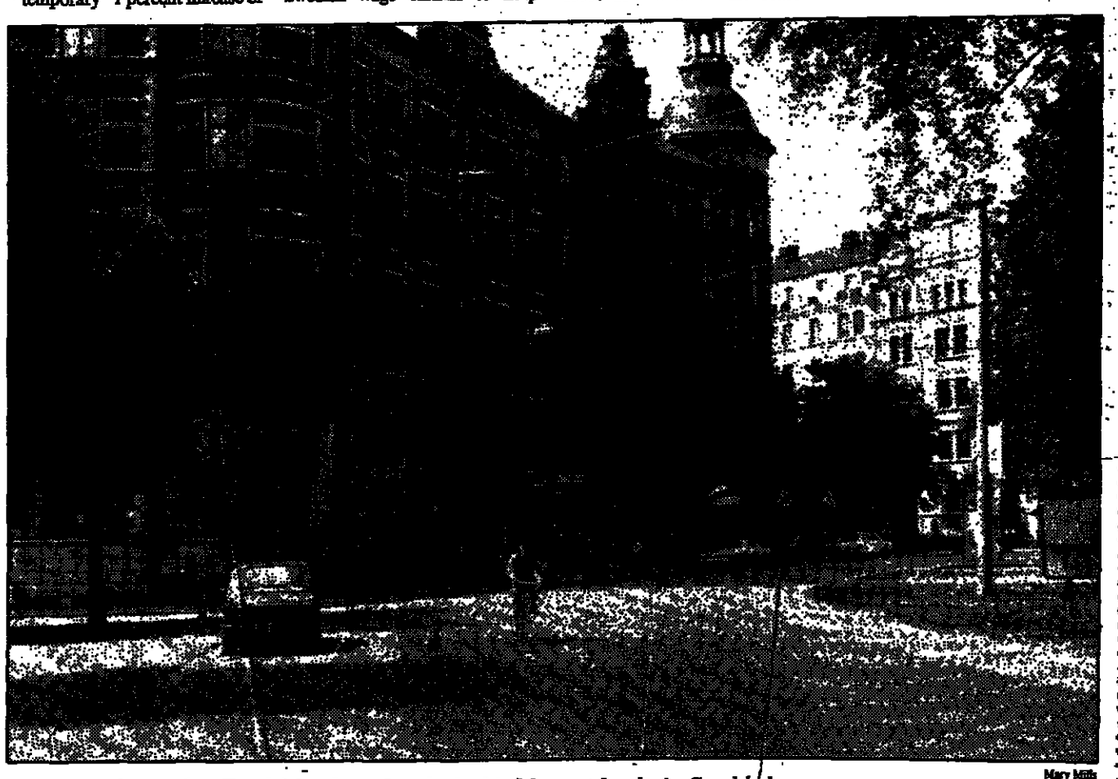
"After all, it was Stora that bought Feldmühle [of West Germany], not the other way around," Mr. Larsson noted. The recent $2.39 billion takeover bid by the Swedish forestry group for Feldmühle Noble AG was one of the largest takeovers of a West German firm in decades.

DAVID BARTAL is a freelance journalist based in Stockholm.

Presseens Bild

The government of Ingvar Carlsson fell after his tax package was defeated.





An office of Svenska Handelsbanken, Sweden's third largest bank, in Stockholm.

Mary Mills

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Creative Marketing Abroad Swells Ranks of Export Hits

By Joseph Fitchett

STOCKHOLM — Entrepreneurs, chafing at the constraints on making fortunes in Sweden, are proving remarkably successful in developing consumer products aimed at foreign markets.

There is a swelling hit parade of Swedish-owned international products, with increasingly tenuous national roots, that rely on an image of "Swedish-made" — suggesting high quality and modernity — that can be shrewdly marketed.

Perhaps the purest example of this new business strategy is Absolut vodka, whose owners say is the fastest-growing liquor in the world.

A forerunner was Ikea: Successful in Europe with its modular furniture, it is mounting a well-funded assault on the U.S. market.

Twenty years ago, the Swedish market was large enough to bring to fruition Tetrapak, the innovative sealing process to hygienically pack liquids in paper. Starting as milk cartons, these lightweight, stackable containers spread worldwide from Sweden, first as packaging and then as packaging equipment.

Typical of the new trend, Ikea grew mainly as an export business, capitalizing on Sweden's reputation for functional design. Partly by manufacturing in East European countries eager to export cheaply for hard currency, Ikea offered unbeatable prices. Its emporia were reassuringly enhanced with Scandinavian touches such as the toddlers' playpens filled with bright-colored sponge balls for safety.

Swedish ability to spot even narrow markets overlooked by local manufacturers is attested to by Marubo chocolate company's new candy bar known as the Dime Bar (or, in German, Daim Bar). Across northern Europe, it is ousting some traditional products in a sector thought to be sluggish.

A brilliant illustration of Sweden's new international marketing is Absolut vodka. Product of a nation that hardly drinks vodka, the drink has become a world-class brand in record time, with sales last year reaching three million cases and $300 million.

In the United States, the largest market, Absolut became the top imported vodka in 1985, five years after its first sales. Despite declining overall U.S. liquor sales, Absolut grew 35 percent annually to become the nation's 10th-ranked premium-liquor brand.

That kind of success appeared remote in 1977, when Vin & Sprit AB (V&S), part of the Swedish state liquor monopoly, decided to invest its profits in Swedish production for export. V&S had little to go on beyond market surveys that pointed to a taste swing toward "drinking white" — for example, clear instead of colored spirits such as whisky.

Sweden's classic drink, *akvavit*, was a "clear" spirit, but its export would entail changing U.S. consumers' habits, an impossibly expensive proposition. So Sweden targeted the U.S. market for vodka.

Although Swedish links to vodka are sketchy (and unmentioned by authorities such as Alex Lichine), V&S counted on Sweden's reputation for high standards of manufacturing, including distilling. For refinement, it would be made from grain, not potatoes, the raw material of Russian vodka.

In a decade, production has gone from 10,000 cases a year to 10,000 cases a day, but all Absolut still comes from the same distillery in the Swedish town of Skane, because V&S believes that local ingredients and quality control protect its taste mystique.

In developing Absolut, design proved as important as chemistry: Swedish marketers felt that their vodka's impact would depend on "a total product profile," according to Claes Andreasson, North American sales-manager at V&S headquarters in Stockholm.

This "Absolut concept," now heralded as a marketing landmark, still eludes a simple definition.

"The image of Absolut is fashion," says Ernie Capria, an executive at Carillon Importers, the U.S. distributors whom Mr. Andreasson credits with helping win acceptance for Absolut. "We geared its image to fashionable people."

But Mr. Andreasson said that sophisticates are attracted by an "aura of entertainment" — a playful image that also dispels underlying concerns about health or sin liable to put off some consumers. Absolut's designers say now that, ahead of their time, they were groping for yuppies' taste for a pure drink and witty publicity.

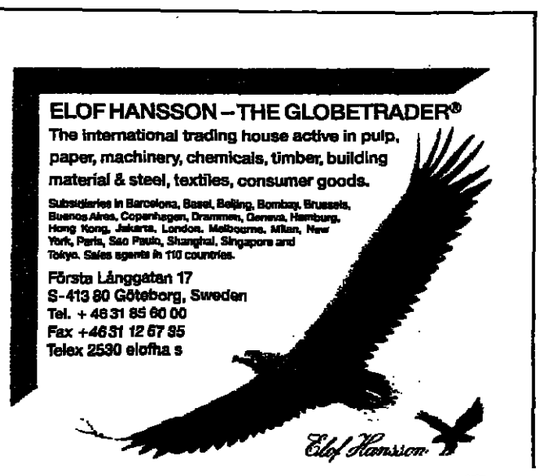
The chunky bottle that became Absolut's trademark was adapted from an antique Swedish bottle that caught an executive's eye in a Stockholm shop. Its distinctive look was accented by a surgical-looking capsule in plain aluminum and by an innovative process of printing the brand name directly on the glass bottle, with no paper label to block transparency.

"Many people think that it looks sterile, with its apothecary shape," Mr. Andreasson said. For Europeans, he said, it is reassuringly medical, evoking purity." To Americans, "the bottle looks pristine and contemporary," Mr. Capria said.

Absolut's advertising campaigns have focused on the bottle as a deliberate contrast to liquor publicity stressing life-styles.

"Our customers are contemptuous of most advertising, so we play to their sophistication," Mr. Andreasson said. The first ad showed the bottle copied by Andy Warhol and labeled "Absolut Warhol"; an Absolut centerfold in a men's magazine displayed a bare Absolut bottle, with no evocation of vodka or pleasure.

With U.S. sales expected to double in three years, Absolut aims to become a global brand, then use its trademark to promote new mainly-for-export Swedish drinks.



Banks Search for New Alliances

By David Bartal

STOCKHOLM — The landscape of the banking sector in Sweden has been transformed dramatically in the course of the past 12 months. Skandinaviska Enskilda Banken (S-E Banken), which dominated this industry for years as the biggest and most prestigious bank, is now faced with two aggressive competitors of a roughly equal size: Nordbanken and Svenska Handelsbanken.

The largest single change came in December 1989, when PK-Banken, 70-percent owned by the Swedish state, bid 5.6 billion kronor ($1.1 billion) for Nordbanken, the fifth-largest commercial bank. This created a dynamic new group, called Nordbanken after the merger, with total assets of 372 billion kronor.

Only one month earlier, Svenska Handelsbanken (SHB) strengthened its hand considerably by bidding 2 billion kronor for Skanska Banken, which has a solid base in southern Sweden.

There is little left to consolidate in Sweden now, with the possible exceptions of Ostgota Enskilda Banken, with assets of 17 billion kronor, and Gotabanken, with assets of 49.8 kronor.

This does not mean that the restructuring of the Swedish banking industry is completed. On the contrary, the continuing liberalization of the financial markets in Sweden will have far-reaching consequences.

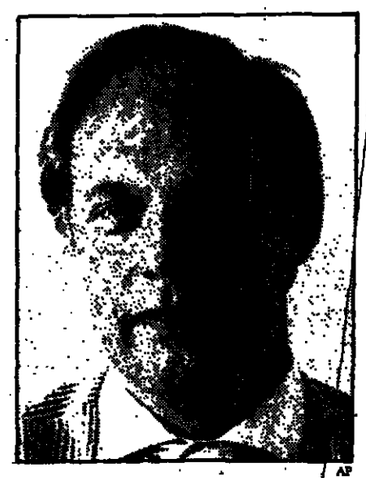
In the first place, some of the legal barriers that prevented foreigners from investing in Swedish banks will disappear on July 1. The banks will also be able to issue shares abroad, which will help them raise capital for acquisitions and new cross-shareholding alliances.

The most logical type of alliance in the next decade is between banks and insurance companies, according to Rune Barneus, chief executive officer and president of Nordbanken.

"Either a big international insurance company will be interested in Swedish banks, or it will be the other way around," Mr. Barneus said.

Similarly, Bo Ramfors, chief executive officer of S-E Banken, said the possibility of an alliance or other form of cooperation with an international insurance company is "something we are studying very carefully."

At present, cross-ownership between banks and insurance firms is not allowed, but a law to change this is being prepared and may be enacted later this year. The two business sectors already view each other as direct competitors, fighting on the same turf.



AP

Rune Barneus of Nordbanken.

S-E-Banken expects to enter the mutual-linked insurance market this year, while Handelsbanken has reached an agreement to cooperate with the mutual life insurance company RKA.

"When the law permits us to do so, we plan to make RKA a subsidiary," said Anders Ljungh, executive vice president of Handelsbanken. RKA has about 8 percent of the Swedish life insurance market.

Another change on the horizon is closer relations among Nordic banks, which are small by international standards.

"We would like to expand further in the Nordic countries," said Mr. Ljungh, who is in charge of Handelsbanken's international operations. "This area is our first priority."

S-E-Banken can be expected to look further afield, following the paths of their export-oriented corporate clients.

On June 6, for example, S-E-Banken announced it will acquire all shares in London-based Scandinavian Bank Group Plc. for £153 million ($260 million). Through this purchase, S-E-Banken becomes majority owner of Geneva-based Banque Scandinave en Suisse, which manages assets and trusts worth more than 9 billion Swiss francs ($6.88 billion).

"In the trust and asset management business, we have set a goal of becoming one of the leading European houses within a 10-year period," Mr. Ramfors said.

Increased competition among banks and other financial institutions will force all the actors in this industry to take a hard look at their costs to maintain already thin profit margins.

According to Mr. Barneus of Nordbanken: "Our margins [in Sweden] are already lower than in any other comparable banking system, but on the other hand, our costs are also lower."

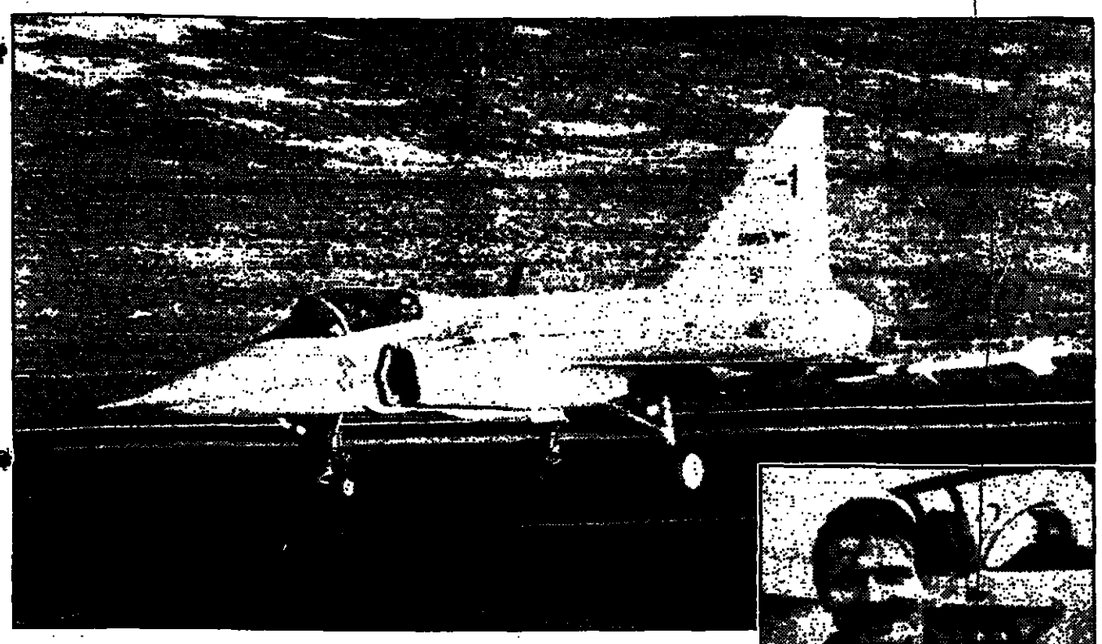
This judgment is supported by the Swedish banker's association, which reports that net interest margins for Swedish commercial banks averaged only 2.2 percent from 1982 to 1986, compared with 3.2 percent for the United States, or 3.4 percent in the United Kingdom.

Swedish bankers say cost-efficiency is the cornerstone of their success, allowing them to obtain good return on equity despite relatively small profit margins. Early computerization, the widespread use of labor-saving automatic cash-dispensing machines, and an efficient bank and post office giro system to make cash transfers have helped keep costs down. The banks have also been raising service charges recently, reducing opening hours, and trimming staff in efforts to come to terms with wage inflation.

Thus far, Swedish banks have been able to maintain a good record of profitability. The country's 12 largest banks last year averaged 18.1 percent return on equity. Nordbanken (before its fusion with less profitable PK-Banken) led the pack with an impressive 24 percent return.

This would appear to make Swedish banks attractive objects for foreign investment when the legal fences keeping non-Swedes out of financial institutions drop next month. However, the fiscal woes of the national economy — galloping inflation, increasing production costs, and uncertainty about Sweden's relationship to the EC — may keep foreign investors at arm's length.

Swedish banks will first need to change their bylaws to permit the issuance of unrestricted shares to foreigners. They are expected to place a ceiling on foreign ownership of 40 percent of share equity, and 20 percent of voting rights.



Reuters Bild

Arne Lindholm, the test pilot of the JAS 39, above, ejected when the plane crashed on a trial flight.

New Warplane Takes Flak Over Expense and Mission

Continued from page 9

then changed world conditions could enable Sweden to export this new plane successfully."

But Swedish critics of the JAS contend that the program can still be killed before a final decision is made next March about whether the government will order several hundred planes.

Much of the debate can be resumed in three questions about the JAS:

- Will it fly? The JAS has been conceived around technology that is untested, even revolutionary, and still has to be proven completely successful and safe.
- Will it work? The agile JAS, with its deliberately limited capabilities and ambitions, is ideal for Sweden's impressive system of operating fighters from scattered highways. But to defend Sweden's airspace and shoreline, the JAS will need effective weapons, which Sweden cannot develop.
- Will it be worth it? Acknowledging that Sweden will not be able to afford developing another warplane after the JAS, Swedish industrialists maintain that the JAS program is crucial to Sweden's hopes of developing a small commercial aerospace industry.

Sweden's planners are letting the JAS strip funds from the other armed services because defensive air power is the key to Sweden's major potential military role: blocking any Soviet bid to cross Sweden and bomb NATO bases in northern Norway that protect the Atlantic from Soviet submarines.

The Viggen, in a design well ahead of its time, was built to defeat long-range fighters escorting Soviet bombers. Only now, however, is the Soviet Air Force deploying the Fencer and other fighters capable of action over Sweden, but the Viggen is facing retirement.

The JAS is designed to offer slightly better performance, at drastically lower operating costs. Characteristically, the JAS, whose name is an acronym for the Swedish words for "fighter-attack-reconnaissance," will perform all three missions, using the same airplane with only a change of weapons and some electronic cards reconfiguring some of the on-board computers.

For economical performance, with high maneuverability, smallness was the key, and the JAS is half the size of its predecessor.

Although Sweden cannot afford to develop Stealth technology, a narrow fuselage helps reduce the visibility of the JAS on radar.

Crucial to achieving this is the JAS's engine, a Volvo Flygmotor RM12, a Swedish modification of the General Electric F404 engine, whose carbon alloys save weight and space. The miniaturization of computers, too, enables the JAS to carry three times as much electronics as the Viggen.

The revolutionary feature of the JAS is its complete reliance on "fly-by-wire" technology, meaning that flight is controlled by computers that respond to sensors reporting on the plane's movements.

"A normal aircraft is inherently stable in all flight regimes, but we wanted a plane that could offer high agility with less force, so our nervy design needs electronic management," explained Harald Schröder, the Saab vice president who heads the consortium building JAS.

As the prime contractor, integrating all the systems, Saab controls 60 percent of the project. Volvo Aircraft Engines has 15 percent, Ericsson Radar 16 percent, with the remaining 4 percent belonging to FFV-Aerotek, a state-owned maintenance company.

In the Swedish design, a crucial innovation was to change the canards, two stabilizers jutting from the fuselage a few feet ahead of the delta wing, into fully movable panels that help control the plane.

With these flaps and the engine power continuously adjusted by computer controls, the JAS is expected to be able to turn more sharply than any other fighter and even to edge sideways while firing head-on in supersonic combat.

If this technology works (and Swedish engineers are confident that they have solved the software problem that caused the prototype to crash), the JAS will be an elusive foe.

Because it is so small, it can be handled on the ground by a team of five. Operating from hardened stretches of highway, usually located in clusters with underground facilities, the planes will be almost impossible to catch on the ground.

"People think about an aircraft, but they should think about a system" involving the dispersed airfields and tightly meshed radar coverage and ground control of the Swedish interceptors, Mr. Schröder said.

The JAS, says a Saab executive, is two years ahead of France's Rafale and four years ahead of the Eurofighter being built by a West European consortium. A U.S. rival, the upgraded F-16 known as Agile Falcon, seems about to be canceled.

"We could be the only new aircraft on the market in the late 1990s," the executive said, adding that Swedish politicians might become more lenient in authorizing exports if regional conflicts abated.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.

Farmers Face an End to Subsidies

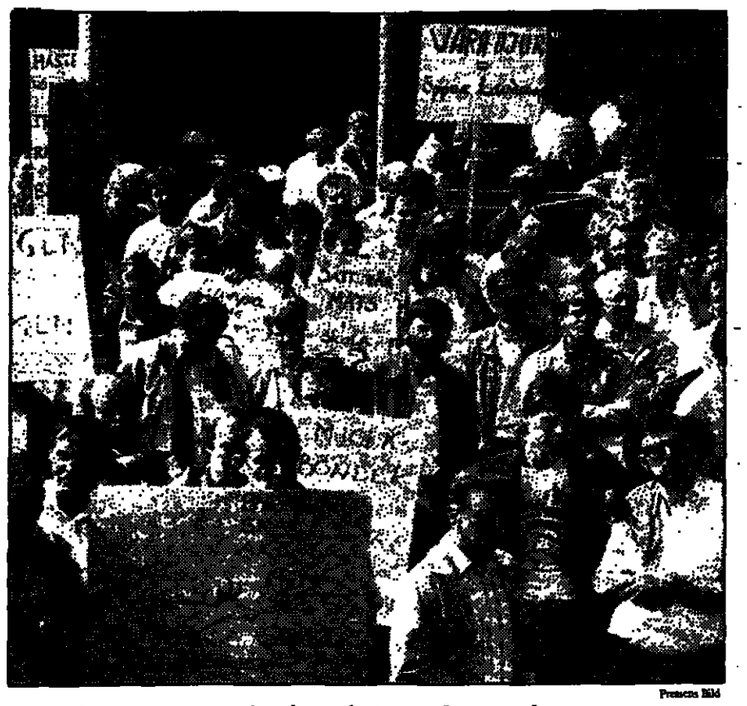
By Lars-Goran Hedin

STOCKHOLM — When the Swedish government introduced new agricultural pricing policies on June 9, it altered dramatically the protection that the Swedish farmer has enjoyed so far. The new decision to eliminate government farming subsidies means that Sweden has now gone further in this direction than any other country in Western Europe.

Moreover, the European Community, which was earlier seen as a threat to Swedish agricultural organizations, has suddenly become something of a dream wish for Swedish farmers, for EC farmers are now significantly more protected than their counterparts in Sweden.

The Swedish government has already been commended by GATT on the new farming policy, which was presented on June 1. Although the level of protection against lower import prices continues to remain in force, Sweden now appears in the eyes of the General Agreement on Tariffs and Trade as something of a pacesetter as far as the removal of farming subsidies is concerned. The country has now begun a definitive dismantling of the domestic pricing regulations and support for the agriculture sector.

The intention is that after a transition period of five years, market forces should clearly determine prices for produce. Moreover, it is also expected that in most cases considerable lower world market prices would reduce produce prices for Swedish consumers.



Pressens Bild

Dairy farmers protest price deregulation on farm produce.

THE government measure means that the surplus production of grain, for example, which was maintained with the help of internal pricing policies, will now disappear. That is one of the key objectives in the reorganization of farming policy and a goal that observers in the agriculture sector believe will be achieved within a few years.

"We think that the grain surplus would be over in two or three years," says Kjell Eriksson, chief executive of Spannex, one of the two companies that export Swedish grain. As the representative for Sweden's private grain producers, he is not entirely thrilled with this situation — many smaller grain trading houses as well as many grain producers will have to shut down operations because of the removal of government subsidies.

"The big companies, especially those that have also invested in fodder production, will survive the transition better," says Mr. Eriksson. But the fodder market will also shrink since 25 percent of Swedish milk production is expected to disappear, he pointed out. On the other hand, no great upheaval is expected in hog production and poultry farming.

The subsidy removal has also affected the cooperatives, which account for a considerable share of Swedish agricultural production. This is reflected in the heavy rationalization that is now taking place, above all, in the fodder and grain cooperatives. Here they are talking of reducing the number of cooperatives from about 20 to only 5 or 6.

In the private sector, major restructuring has already taken place. Several of the largest private companies recently merged to form Svenska Foder, with the participation of the Finnish firm Cultor.

One indication that removal of price supports is expected to be fairly painless is the generous subsidy that will be paid during the transition period to farmers who cease production or bring it to a level that does not result in surplus production.

"Grain producers are being offered first a three-year income subsidy so that the dismantling of the pricing system will not hit too hard," says Mr. Eriksson.

The first year, the income subsidy will be 1,100 kronor ($198) per hectare (2.47 acres), falling to 700 kronor the third year. After that, it will completely disappear. The interim subsidy will compensate for the fact that grain prices can no longer be guaranteed by the state. The government's new pricing policy means that a guaranteed price level of 1.30 kronor per kilo of wheat over three successive years will finally level off at 90 ore (18 cents).

Farmers who cease grain production altogether will get a subsidy of 9,000 kronor per hectare for the first year. This generous subsidy is expected to have a major psychological effect on those farmers who today are still doubtful about whether they should continue production or not.

"Moreover, a heavy subsidy for those who choose to cultivate forests — it must be hardwood forests — also provides added economic motivation to cease grain production," Mr. Eriksson noted.

In total, over the five-year transition period from 1990-1995, the government will distribute some 5 billion kronor in income subsidies and 3.9 billion kronor in other financial aid for the reorganization of agricultural production. Correspondingly, milk production will be allotted 540 million kronor. In addition, 320 million kronor will go for a government counseling program to help farmers cope with economic problems that arise from price deregulation.

The entire subsidy package to the Swedish agriculture sector will reach 13.6 billion kronor during the five-year period.

WHEN IT is over, Swedish agriculture will be better suited to face market conditions, officials say.

Following recent demonstrations by farmers in Stockholm, the government also reiterated its promise that Sweden will wait for completion of current GATT talks on price subsidies and tariffs before implementing any further pricing policies.

The farmers union, LRF, naturally is not happy about the price deregulation. But their argumentative mood has eased up in the past year since the proposal of the new policies began to take shape. This could be attributed to the fact that the union was fortunate enough to push through many of its demands for financial support during the transition period.

LARS-GORAN HEDIN is former editor in chief of Dagens Lantbruk, an agricultural publication.

Reuters

Pierre Schori

Stockholm's View of EC

This is an excerpt from an address by Pierre Schori, the undersecretary for foreign affairs.

The European Community is faced with a choice of alternatives for the future. There is no need to overdramatize this choice, but it is, nevertheless, of great importance to the future of the community itself and to that of European cooperation as a whole.

If, despite internal differences of opinion, it should choose to give priority to the establishment of a political union — particularly if, after all, an attempt is made to combine it with a defense dimension — the community may potentially become one of three superpowers in a future European security system reminiscent of Europe as it was before the World War I, when it was dominated by the great powers.

The states that for various reasons do not wish to join a political union, and not least the states whose economies make EC membership impossible, would in that case be assigned the role of "*cordon sanitaire*" in a Europe dominated by the great powers.

If, on the other hand, political integration is not carried forward and the member states retain their present decisive political influence, the exclusive nature of the European Community will diminish, even if the integration process is completed in the economic, social and other areas.

In that case the community will, thanks to its economic strength and its effective cooperation institutions, become the focus around which a comprehensive and multifaceted European cooperation process will be built up gradually and in a pragmatic manner.

Nation Debates Core of Foreign Policy

Continued from page 9

ground and that he shares it. "What we need is not neutrality but political independence, a strong independent defense policy and a strong economy," he said.

At the Foreign Ministry, which continues to be the guardian of neutrality, an official summed up the objective as "independence and self-determination in defense policy."

Rolf Alsing, an influential Social Democrat and editor-in-chief of the union-owned newspaper Aftonbladet, cited some of the questions that he is asking himself.

He said he had been strongly opposed to Swedish membership in the EC when the issue was first raised many years ago because he was convinced that the superpower conflict, with its threat to Swedish security, did not permit it at that time. He is now "in the process of reconsidering," he said.

If there is no longer any real military threat to Sweden from the superpowers, "then our area of maneuver widens and we can reconsider our relations with Western Europe and its institutions," Mr. Alsing said.

"For decades we have said that neutrality was the main obstacle to membership, and the prime minister is still saying so; but now many Swedes are asking themselves how much of our sovereignty we may have to sacrifice to obtain the economic benefits" of belonging to Europe, he said.

He hopes that European unity will remain "cultural, economic and social." If Europe were given a political and defense dimension, it would become impossible for Sweden to join, he added, reflecting a frequently heard Swedish argument.

The change in public attitudes has not been lost on the men who are running the country's big multinational companies.

These influential members of the Federation of Industries have long been convinced that it is essential for Sweden to enter into the closest possible relationship with Western Europe. But in deference to the national consensus and the sacrosanct concept of neutrality, the federation has been reluctant to come out clearly and in public for membership in the community.

In the last few months it has cast caution aside.

"We must aim for full membership in the European Community," the federation writes in its annual report for 1989/90. "We want membership as soon as possible," said Thomas Hagdahl, a federation official, explaining that Swedish industry is vulnerable if it remains outside the community, for a multitude of reasons, including geography.

> Sweden has been one of the leading voices calling for a security system based on the Helsinki Group.

The Swedish government is one of the most active participants in the attempts by the six members of the European Free Trade Association and the 12-member European Community to negotiate the creation of a European Economic Space — a single free trade area, which would fall short of economic integration. But Swedish industry sees the project as an interim solution at best.

"We will never accept the European Economic Space as final," Mr. Hagdahl said. Under the project, he explained, the EFTA countries would have the burden of complying with EC rules without being able to share in the community's decision-making process and, thus, would remain vulnerable in many ways.

"We do not feel marginalized; we are committed Europeans and active participants in the negotiations on the future of Europe," said Pierre Schori, the undersecretary of state for foreign affairs, who is widely tipped to become foreign minister.

Ever since the idea was first raised by Prime Minister Olof Palme, who was assassinated in 1986, Sweden has been one of the leading voices calling for a new European security system to be built around the 35-nation Conference on Security and Cooperation in Europe, the so-called Helsinki Group, which has members on both sides of the dividing line between East and West, Mr. Schori said. He added that this "would make the existing military alliances superfluous in the long term."

A European security system that would recognize that there is no real security for one side alone is one of Sweden's principal goals, Mr. Schori said.

The Swedes want the Helsinki Group to have a permanent structure with its own institutions, including a secretariat.

Mr. Schori left no doubt that Sweden will have to review its traditional policies in light of the revolutionary changes that have taken place in Central Europe and the Soviet Union during the past nine months.

But "you don't ditch a successful foreign and security policy overnight" or on the basis of unproven assumptions about the future, Mr. Schori said, adding that it is impossible to predict with any degree of accuracy what kind of shape Europe will take, what security system will be created and whether the European Community will turn to political and military objectives once it has achieved economic integration in 1993. "Let things consolidate," he said at one point.

"We feel we have about two years to reflect," he replied when asked about eventual Swedish membership in the EC. He said the 12 member states did not want any new members before 1993 at the earliest and vital questions about the nature of the community might be clearer by then.

Like other influential Swedes, in the opposition as well as the government, he warned that if the community gave itself a political and military dimension, it would make it impossible for countries like Sweden to join.

Beyond this "there are no straitjackets to our imagination," he said.

HENRY TANNER is on the staff of the International Herald Tribune.

SKANDIFOND MUTUAL FUNDS
LUXEMBOURG

Performance in USD, March 1989 to end of March 1990

SKANDIFOND CONTINENTAL EUROPE	40.3%
SKANDIFOND NORDIC	32.9%
SKANDIFOND GLOBAL	27.1%
SKANDIFOND NORTH AMERICA	22.3%
SKANDIFOND INTERNATIONAL	16.6%
SKANDIFOND MEDITERRANEAN	15.7%
SKANDIFOND FAR EAST	15.5%
SKANDIFOND UK	2.9%
SKANDIFOND JAPAN	-5.7%

Skandinaviska Enskilda Banken, the largest commercial bank in Sweden, has established a variety of international mutual funds which invest throughout the world from a base in Luxembourg.

Strategy and investment decisions regarding the funds are based on comprehensive research carried out by a group of inhouse experts in London and Stockholm, called Enskilda Asset Management.

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AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
		A								
10½	8¼	AIM Str	1.08	12.9	—	81	8¾	8¼	8¼	—
4¼	1⅝	AIM Tel			—	4	1⅝	1⅝	1⅝	—
12⅜	6½	ADAC			—	223	8⅝	8⅛	8⅛	+ ⅛
1	1⅛	ADI	.05e	2.7	—	5	1⅞	1⅞	1⅞	— ⅛
⅜	1	ARC			—	43	⅛	⅛	⅛	—
25⅛	9½	AT&E			—	5346	21¾	18⅝	19⅝	—
13⅜	7⅜	ATI			19	133	13⅝	12¾	13⅜	+ ⅛
62¾	49⅝	ATT Fd	2.41e	4.4	—	454	54⅝	54⅜	54⅝	+ ⅛
16½	8¼	Abkamd			—	24	10⅝	9¾	9¾	— ⅛
12	4	AckCm n			—	16	4¾	4¾	4¾	—
⅝	2	Action			—	17	⅜	⅜	⅜	—
21⅝	10⅝	Acton			10	3	12¾	12	12¾	—
3½	1⅜	AdmRs			—	20	1⅝	1⅝	1⅝	—
14⅛	5⅞	AdvMed			—	11	10⅜	10⅛	10⅛	—
7¾	6	AdMd pf	1.00	13.8	—	20	7¼	7¼	7¼	—
28½	15¾	ArWat n			—	358	27¾	26½	27¾	+ ⅝
14½	10⅛	AirEx n			18	5	17⅜	17½	17½	—
12⅞	5⅜	Aircos	2.16	36.3	—	5	6⅝	6⅝	6⅝	—
5¾	3⅜	Alamco			—	4	4	4	4	—
9⅛	3⅞	AlbaW			—	7	3½	3½	3½	—
3½	1⅞	Alfin			—	2	2⅛	2⅛	2⅛	—
33⅜	14	AlleuH n			—	138	33⅜	31⅝	33⅜	—
⅞	⅛	Alleu wi			—	178	⅞	⅞	⅞	—
5⅝	3⅜	Allstar			—	38	3⅝	3⅝	3⅝	—
59	29	Alphaln			—	265	29⅝	29	29⅛	—
3	1½	AlpinGr			—	28	2	2	2	—
65	40½	Alcoa pf	3.75	8.9	—	2100	42¼	42¼	42¼	+ ¼
45⅝	27⅜	Alza			74	1950	43½	42½	42½	—
29⅜	17⅜	Amcn un			—	12	18⅜	18⅛	18⅜	+ ⅛
19⅝	12¼	Amdahl	.10	1.1	12	855	15⅝	15½	15⅝	+ ⅛
15⅞	12¼	AFstP2	1.70e	13.1	—	13	13	12⅞	13	+ ⅛
18½	13¼	AmBilf	.15	1.0	32	38	14⅞	14⅝	14⅞	+ ⅛
2⅜	1⅜	AmCap			1	83	1⅝	1⅝	1⅝	—
13¼	2¾	ACap pf			—	15	2½	2½	2½	—
4⅜	3¼	AExpl			61	388	3½	3½	3½	+ ⅛
1⅝	1⅛	AExpl wt			—	19	1⅜	1⅜	1⅜	—
26	14¼	AFruc A	.24	1.0	181	214	23⅝	23⅜	23⅝	+ ⅛
24⅝	14	AFruc B	.24	1.1	10	21	21⅝	21⅜	21⅝	+ ⅛
2⅜	1⅛	AHIMg			—	152	1⅝	1⅝	1⅝	—
29⅜	14⅜	AlSrael	.27e	1.1	14	3	24⅝	24⅝	24⅝	—
21½	11¾	AmList	1.90e	9.2	14	7	20⅝	20⅝	20⅝	—
24¾	15⅛	AMzeA	.84	3.1	13	13	26⅝	26⅝	26⅝	—
1	⅛	AMBld			—	3	⅛	⅛	⅛	—
8	4⅜	AMed n			—	262	6⅝	6⅜	6⅝	—
8⅜	5⅞	AmOil			—	6	7	7	7	—
17¾	9	APTec s	.18	1.5	31	1	12	11¾	11¾	—
10⅜	⅜	ASciE			—	1	⅝	⅝	⅝	—
1	⅛	ASci wt			—	1	⅛	⅛	⅛	—
9½	2⅜	AmShrd			—	3	3⅛	3⅛	3⅛	—
3⅝	2⅜	AmSwM	.51e	14.1	—	1	3⅝	3⅝	3⅝	—
7¾	1⅜	ATechC			—	21	2	2	2	—
4⅜	2⅜	A-corp sc			—	2	2⅜	2⅜	2⅜	—
47⅜	36⅜	A-ohio sc	2.10	5.1	—	285	41¼	40½	41¼	+ ⅝
28	24⅛	A-ohio s	1.27	4.6	—	88	27⅝	27⅜	27⅝	+ ⅛
46¾	39¼	A-on s	2.81	6.5	—	9	45⅜	44⅜	44⅜	—
12⅞	4⅜	A-on sc			—	227	8	7⅝	7⅝	—
10½	8½	A-orc	4.95	4.9	—	10	10½	10½	10½	+ ⅛
22⅞	11½	A-ore			—	92	16⅜	16⅛	16⅜	+ ⅛
8⅜	3¾	A-bmv s	2.09	4.3	—	166	48⅝	48½	48½	+ ⅛
15⅞	7¼	A-bmv sc			—	347	13⅜	13¼	13⅜	+ ⅛
4¼	2½	A-chv	2.75	4.6	—	167	6⅝	6⅝	6⅝	—
17⅜	6	A-chv sc			—	9	8½	8½	8½	—
25⅞	20¾	A-ke s	.77	3.1	—	30	24⅝	24½	24½	—
28⅜	7¾	A-ro sc s			—	30	19½	19	19½	—
62¼	47¼	A-dow	2.57	4.6	—	55	56	55¾	56	+ ⅛
23⅝	5⅞	A-dow sc			—	343	7⅜	6⅝	6⅝	—
33⅜	28⅜	A-dd s	1.58	5.0	—	2	31⅜	31½	31½	—
11	5⅜	A-dd sc s			—	329	7½	6⅝	6⅝	—
42½	27⅜	A-mon sc			—	5	33½	33½	33½	+ ⅛
21¼	19½	A-gte s	2.87	14.1	—	31	20½	20⅜	20⅜	—
12¾	7	A-gte sc s			—	515	11⅜	11⅛	11⅜	+ ⅛
2⅝	46⅛	A-hes s	1.86	3.5	—	7	53⅛	52⅝	53⅛	+ ⅝
14½	7	A-ge sc			—	567	11⅝	11⅜	11⅝	—
46⅜	36⅛	A-am s	2.97	7.0	—	158	43¾	42⅝	43⅜	—
8⅜	4	A-am sc			—	360	5¾	5⅜	5⅜	—
62	33½	A-nk s	1.97	5.3	—	3	37½	37½	37½	—
13	3⅜	A-ek sc			—	253	4⅝	4½	4⅝	—
66	37⅜	A-f s	2.98	7.3	—	15	41¾	40¾	40¾	—
12⅝	4⅜	A-f sc			—	205	4¾	4⅝	4⅝	—
49⅛	36⅜	A-hwp	.37	.8	—	15	45¾	45½	45¾	—
10	2½	A-hwp sc			—	3	3	3	3	—
117¾	88⅞	A-ibm	4.79	4.2	12	11499	113	113	113	—
15⅜	9¾	A-ins			—	197	13¾	13¾	13¾	—
50⅜	38⅛	A-ini s	1.33	3.7	—	93	49¾	49¾	49¾	—
16⅛	9¼	A-ini sc			—	704	15⅝	15⅝	15⅝	+ ⅛
59⅝	49¼	A-mrk s	1.78	3.0	—	16	58⅜	58⅜	58⅜	—
26⅞	13½	A-mrk sc			—	94	24⅜	24⅛	24⅜	—
25¾	22¼	A-mo s	1.36	5.6	—	126	24⅜	24½	24½	+ ⅛
25½	12⅜	A-mo sc			—	2659	22¾	22½	22¾	+ ⅛
53½	42¾	A-mob	2.85	5.5	—	51	51⅜	51⅛	51⅜	—
15	⅜	A-mds sc			—	107	9	9	9	—
50	40⅝	A-pg s	1.78	3.7	—	4	48⅛	48⅛	48⅛	+ ⅛
57	13½	A-pg sc s			—	110	35¾	34	34⅜	+ ⅛
40¾	22¼	A-ra s	1.95	5.7	—	1	34¼	34¼	34¼	—
7⅛	1⅜	A-s sc			—	43	2¼	2	2	—
67½	58½	A-usa	2.27	3.5	—	8	65⅝	64⅝	64⅝	— ⅛
8	5¼	A-usa sc			—	26	6⅜	5⅞	5⅞	—
60¾	45¾	A-xrx	2.95	4.5	—	46	66	65½	65½	—
9¼	1⅜	A-xrx sc			—	81	2¼	2¼	2¼	—
2⅜	1⅛	Ampal			—	10	1⅜	1⅜	1⅜	—
16⅞	11½	AngAU n	2.16	19.0	—	36	11½	11⅜	11⅜	— ⅛
15⅜	7¾	ArkRes			—	32	9¾	9¾	9¾	—
6⅜	3½	ArrowA			28	5	5	5	5	—
2¼	⅛	Astrex			—	2	⅜	⅜	⅜	—
2½	⅜	Astrotc			—	6	1⅞	1⅞	1⅞	+ ⅛
11	7½	Astrof pf	1.20	12.6	—	207	9½	9½	9½	—
	⅛	Astrf wt			—	1	⅛	⅛	⅛	—
12⅝	4⅜	Atari			88	369	6	5⅞	6	+ ⅛
5	2⅜	Atlantis	.17t	6.2	69	14	3	2⅞	3	—
2⅜	⅝	AtlCm			—	54	1⅜	1⅜	1⅜	—
7½	4⅜	Atlas wt			—	15	4½	4½	4½	—
4½	2	Audvox			—	68	3⅜	3⅜	3⅜	—
		B								
17½	8¼	B&H Mr	1.72e	17.3	7	69	10¼	10¼	10¼	—
19⅛	10½	B HO	3.20e	24.9	4	283	11⅝	11⅝	11⅝	+ ⅛
13⅜	9¾	BAT In	.56e	4.9	11	1226	11½	11⅜	11½	+ ⅛
54	40¼	BHC n			38	599	48½	47¾	47¾	—
10⅜	7¼	BSD	.13e	1.4	13	65	9⅜	9⅜	9⅜	—
7⅜	5¼	BSN			21	21	5¾	5¾	5¾	—
17⅝	12⅞	Bodcar	.60	3.5	12	5	17⅛	16⅞	17⅛	+ ⅛
18	10¼	Baker			17	428	17¼	17	17¼	+ ⅛
8¼	2½	BaldwS	.32	13.5	—	18	2½d	2⅜	2⅜	—
15⅜	7	Baldw s	.16	1.2	11	25	13⅛	12⅞	13⅛	+ ⅛
8½	5¾	BalfM	.16	2.4	15	5	6⅝	6⅝	6⅝	—
7¼	3⅜	BambPf	.72t	25.0	10	72	3½d	3	3	—
19¼	17¼	BanFd	1.79e	9.9	—	85	18	17⅞	18	—
14⅜	6	Banglr g			—	6	8⅜	8¼	8⅜	+ ⅛
11	6¾	BkSFr			—	20	8⅝	8⅝	8⅝	+ ⅛
12	4	BT Nk wt			—	726	10⅜	9⅝	10⅛	— ⅛
⅝	⅜	Banvcn			—	68	⅝	⅝	⅝	—
17½	19¾	Barnwl	.48e	1.7	4	31	29¼	28¾	28¾	— ⅛
2⅜	⅛	Barrist			—	315	⅛	⅛	⅛	—
3⅜	1⅝	BarrLb			100	2	3	3	3	— ⅛
13	4⅞	Barr RG			17	39	4⅝	4⅝	4⅝	+ ⅛
7½	4⅜	Baruch			—	1	6¼	6⅛	6⅛	+ ⅛
26½	15½	BayMas	.70e	4.4	34	4	15⅝	15⅜	15⅝	+ ⅛
7	2⅛	Bayou			—	8	4⅜	3½	3½	—
5⅛	2⅜	Beard			—	1	3½	3½	3½	—
3⅛	1⅜	BetcBlR	.10e	4.8	—	6	2½	2½	2½	—
28⅞	20½	BergB s	.48	1.5	15	409	32	31⅝	32	+ ⅛
66¾	52¾	BergCa	4.90e	8.0	—	3	61	61	61	—
32⅜	22½	BlCCp	1.12e	3.9	15	12	28¾	28⅝	28¾	—
45¾	29¾	BlkMM	1.50	3.9	12	22	41½	40¾	40¾	—
22	14½	BlkR A			—	17	15	21¾	21½	—
9⅝	4⅜	Blomcp			—	10	4½d	4¼	4¼	—
1½	⅜	Blokhm			—	10	½	½	½	—
33⅜	24⅜	BlairCo	1.61e	4.3	11	28	37¾	37¼	37¾	+ ⅛
28	13½	Blessg	.68	2.9	11	4	23¾	23¼	23¾	+ ⅛
15⅝	9¾	BlowMA	.48	3.9	6	135	11¾	11½	11¾	—
13½	9¾	BlountB	.48a	3.5	6	4	13¾	11¾	11¾	—
13⅞	10	Boddie	1.36	13.1	10	28	10⅜	10⅛	10⅛	—
30½	3½	BoirPh	.84			885	5⅞	5⅝	5⅝	—
24⅝	17½	BowMk	.68	2.6	16	2	26	25⅞	26	+ ⅛
22½	17	Brscn g	1.04		21	20	17⅞	17⅜	17⅜	+ ⅛
85½	60¾	BrnFA	2.08	2.7	23	6	79½	78¾	79½	+ ⅝
91¾	60¾	BrnFB	2.08	2.8	22	488	75⅝	74¾	75⅝	+ ⅝
2	1⅜	Buffton			—	22	1⅝	1⅝	1⅝	—
		C								
3	⅜	CAM Cp			—	20	2¾	2⅝	2⅝	+ ⅛
23⅛	16⅜	CSS			—	4	17	16⅝	16⅝	—
12⅜	6¾	CVB Fn	.26	1.6	12	8	14⅜	14⅛	14⅛	—
8	3⅜	CXR			—	126	3⅞	3⅝	3⅝	—
29⅞	20¾	Cabtyan			—	77	27¾	27¼	27¼	—
25⅜	14⅛	CadsMJ			—	1	15½	15½	15½	—
15⅜	6⅝	CadleA			—	21	7½	7½	7½	—
15⅝	7½	CalEng			21	1194	8¾	8¾	8¾	—
12⅝	5¾	Calprop	.65t	9.5	—	11	7	6⅞	6⅞	—
12⅞	9¾	CWineA			—	1	12½	12½	12½	—
12⅞	9¾	CWineB			—	1	12½	12½	12½	—
13	6	CaleNo n	.74e	11.4	11	32	6½	6½	6½	—
17⅜	8	Calmat			—	77	17¾	17¼	17¼	—
20⅝	14⅛	CamSJ	.48	2.5	19	2084	19⅜	19⅛	19⅜	+ ⅛
16⅜	6¼	CshAm s			28	2824	17½	16⅝	17½	+ ⅛
6	3⅜	Cospen			—	10	4	4	4	—
16⅜	12¾	CasleA	.48	3.1	13	6	15½	15½	15½	—
14⅜	11¾	CasFd	1.47e	8.9	—	15	16½	16½	16½	—
14⅜	5¾	CataLl			—	149	13⅜	13⅛	13⅜	—
14⅜	13	Cehelr n			—	1	13⅜	13⅜	13⅜	—
16	10⅜	CentGo			—	154	13⅜	13⅛	13⅜	—
4⅜	1⅝	CFCda g	.01e		—	316	4⅜	4⅜	4⅜	—
4⅜	1⅝	CenMk pf	3.50	12.5	—	2190	28	27⅞	28	+ ⅛
12⅜	5⅜	Centrise	1.00e	10.5	—	111	9½	9½	9½	—
6	4	ChyCm s			—	155	5⅝	5⅝	5⅝	—
33⅜	12¾	ChDvB s	.40	1.1	—	3	36⅜	35⅝	36⅜	+ ⅝
25⅜	12¾	ChDvA s	.01e		—	3	25⅜	25⅜	25⅜	—
3⅜	1⅜	ChpEn			—	269	2½	2½	2½	—
12⅜	6⅜	ChiPwr	.11	1.4	9	347	7⅞	7⅝	7⅞	—
3⅜	1⅜	CheySH			—	58	2⅜	2⅜	2⅜	—
22⅜	13¾	ChrtH			—	2	21⅜	21⅜	21⅜	—
15⅜	7⅜	Chiles n			—	718	12⅜	12⅛	12⅜	—
4	1⅜	ClH wtA			—	20	1⅝	1⅝	1⅝	—
2⅜	1⅛	ClH wtY			—	16	1⅜	1⅜	1⅜	—
3⅜	1⅜	ChiFst s	.72	6.7	7	3	10¾	10¾	10¾	—
12⅜	6⅜	ClearC s			—	5	7⅛	7⅛	7⅛	—
11⅜	6⅜	Cohu	.52	2.7	10	41	19¼	19	19¼	—
12⅜	6⅜	Collins			—	10	7⅜	7⅜	7⅜	—
3⅜	1⅜	ColonSy			—	2	2⅜	2⅜	2⅜	—
13⅜	5⅜	ColSpy	.52e	14.3	7	9	3⅝	3⅝	3⅝	—
7⅜	3¼	ColLb n			—	286	4⅜	4⅛	4⅜	—
5¾	2½	ComSys			—	206	4⅜	4⅛	4⅜	—
12⅜	6⅜	ComFid			—	2	7⅜	7⅜	7⅜	—
3⅜	1⅜	Comrm			—	3	2⅜	2⅜	2⅜	—
3⅜	1⅜	CNBNY s			—	3	2⅜	2⅜	2⅜	—
3⅜	1⅜	CompD			—	10	2⅜	2⅜	2⅜	—
3⅜	1⅜	Cmpmtr			—	10	2⅜	2⅜	2⅜	—
5¾	2⅜	CmpEF			—	10	3⅜	3⅜	3⅜	—
3⅜	1⅜	Concrd			—	2	2⅜	2⅜	2⅜	—
3⅜	1⅜	Concrd B			—	1	2⅜	2⅜	2⅜	—
10	5⅜	Conn g	.10e	1.7	—	477	6	5⅞	5⅞	—
6⅜	4⅜	Courtld	1.28e	19.4	11	2	6⅝	6⅝	6⅝	—
27⅜	22¼	Cross	1.92	7.2	11	2	26½	26½	26½	—
3⅜	1⅜	CrspCp	.08e	2.5	16	24	3⅜	3⅜	3⅜	—
2⅜	1⅜	CrtrCP	.12	4.8	16	24	2⅜	2⅜	2⅜	—
3⅜	1⅜	CrwnGam			—	2	2⅜	2⅜	2⅜	—
3⅜	1⅜	Crystal			—	2	2⅜	2⅜	2⅜	—
3⅜	1⅜	Cubic			—	64	2⅜	2⅜	2⅜	—
3⅜	1⅜	Cuno s	.48	2.2	6	6	2⅜	2⅜	2⅜	—
3⅜	1⅜	Curtnd	.32	14.2	12	58	2⅜	2⅜	2⅜	—
12⅜	6⅜	CyberFd			—	23	9⅜	8⅜	9⅜	—
		D-E								
2⅜	1	DI Ind			—	33	2	2	2	+ ⅛
16	8⅜	DWG			—	356	9⅜	9⅛	9⅜	+ ⅛
3⅜	1⅜	DamEA			—	38	3⅜	3⅜	3⅜	—
1	⅜	DamEB			—	57	⅜	⅜	⅜	—
2	⅜	Datarm			—	2	⅜	⅜	⅜	—
12⅜	8¼	Datarm			12	111	17⅜	16⅞	17	—
3⅜	1⅜	Datrar			—	12	3⅜	3⅜	3⅜	—
3⅜	1⅜	Datrnm			—	2	3⅜	3⅜	3⅜	—
3⅜	1⅜	Delfic			12	225d	8¾	8¾	8¾	—
3⅜	1⅜	DelLab	.40	1.5	—	1	26⅜	26⅜	26⅜	—
3⅜	1⅜	Delmed			—	1	3⅜	3⅜	3⅜	—
3⅜	1⅜	Dk Nk wt			—	2866	3⅜	3⅜	3⅜	—
3⅜	1⅜	Dsmtrn			—	360	3⅜	3⅜	3⅜	—
3⅜	1⅜	DeweE			—	18	11⅜	11⅜	11⅜	+ ⅛
3⅜	1⅜	DiagM			—	1	3⅜	3⅜	3⅜	—
3⅜	1⅜	Diasonic			—	3	1944	3⅜	3⅜	—
3⅜	1⅜	DcMMA g			—	1	3⅜	3⅜	3⅜	—
3⅜	1⅜	DcMMB g			—	1	3⅜	3⅜	3⅜	—
3⅜	1⅜	DiVHH			—	207	2⅜	2⅜	2⅜	—
3⅜	1⅜	Dixn77c			—	44	5⅜	5⅜	5⅜	—
3⅜	1⅜	Donely	.28	2.8	22	39	10⅜	9⅞	10⅜	—
3⅜	1⅜	Dorsey rt			—	941	10⅜	10⅛	10⅜	—
3⅜	1⅜	DrmNw	.72	7.5	—	141	9⅝	9⅝	9⅝	—
3⅜	1⅜	DryCol	.44	6.9	—	19	6⅜	6⅜	6⅜	—
3⅜	1⅜	DrylNY	.66	6.9	—	28	9⅝	9⅝	9⅝	—
3⅜	1⅜	DrTstar			—	20	3⅜	3⅜	3⅜	—
3⅜	1⅜	Ducom			—	2	3⅜	3⅜	3⅜	—
23⅜	15½	Duplex	.76	4.7	9	12	16⅛	16	16⅛	+ ⅛
3⅜	1⅜	EAC			—	2	1½	1½	1½	—
3⅜	1⅜	ECI n			—	2	1⅜	1⅜	1⅜	—
3⅜	1⅜	ESI			11	3	1⅜	1⅜	1⅜	—
3⅜	1⅜	EagleFn	.32	1.6	—	2	20	20	20	—
11⅜	8½	vEAL pfD2.84	2.84	27.3	—	2	10½	10½	10½	—
3⅜	1⅜	vEAL pfE			—	1	3⅜	3⅜	3⅜	—
3⅜	1⅜	vEAL pfF			—	477	1	1	1	—
3⅜	1⅜	vEAL pfG			—	36	3⅜	3⅜	3⅜	—
3⅜	1⅜	Eaton	2.90e	20.9	—	4	13⅞	13⅞	13⅞	—
3⅜	1⅜	EchoBy	.87	.6	123	1261	13⅜	12⅝	13⅜	+ ⅛
3⅜	1⅜	EcolEn	.18	1.0	17	6	18½	18½	18½	—
3⅜	1⅜	Edisto n			—	119	17⅜	17⅛	17⅜	—
3⅜	1⅜	Elder pf	2.68	14.0	—	2	19¼	19¼	19¼	—
3⅜	1⅜	ElkSNk wt			—	302	3⅜	3⅜	3⅜	—
20½	9⅞	Elan			58	233	19⅜	19⅜	19⅜	+ ⅛
16	12	Elderad	.32	2.6	10	7	12½	12½	12½	—
2⅜	1⅛	ElecEd			—	10	2	2	2	—
2⅜	¼	Elsmer			—	3755	⅞	⅞	⅞	—
8	7	Elswth	.81e	11.4	—	18	7⅛	7⅛	7⅛	—
10⅛	3½	EmCor s			—	2	4⅜	4⅜	4⅜	—
4	3⅞	Emdvco			—	118	3⅝d	3⅝	3⅝	—
5¼	2⅜	EnSCO			24	459	4½	4⅜	4⅜	—
37⅜	23⅜	ENSC pf	1.50	4.7	—	3	31¾	31¾	31¾	+ ⅛
11⅜	8¼	Engex	1.36	14.2	—	16	9½	9½	9½	—
1⅜	1	Enstr pf	.32e	29.3	—	5	1⅛	1⅛	1⅛	—
2⅜	1⅛	EnMAG			—	160	1⅜	1⅜	1⅜	—
21⅜	15⅜	EnPrh			—	320	22¾	22	22¾	—
1	⅜	Envrpcl			—	15	1⅜	1⅜	1⅜	—
3	3	EnzoBi			—	153	3⅜	3⅜	3⅜	—
10⅛	4⅜	Epitope n			—	88	9	9	9	+ ⅛
20	17⅜	EqGrTr	2.20	12.1	19	33	18⅛	18⅛	18⅛	—
6⅜	2⅜	Escaln			—	10	2⅝	2⅝	2⅝	—
25⅜	15¾	Esterl	.60	3.1	18	10	19⅜	19⅛	19⅜	+ ⅛
27¼	27¼	EsaPd	.81	3.0	14	4	27½d	27	27¼	—
10⅜	3⅜	EvrJ B			—	12	4⅜	4⅜	4⅜	—
18⅜	7¼	EvrJ A			—	12	4⅜	4⅜	4⅜	—
12½	8	Excel	.40	3.4	13	17	11⅞	11⅝	11⅝	— ⅛
		F-G								
8	4½	FFP	.85	18.9	13	5	4½	4½	4½	—
37⅜	21½	Fabind	.88	2.3	11	5	38¾	38⅛	38⅜	—
21⅜	14	Fabrik	2.16		10	2	15⅜	15⅜	15⅜	—
12⅜	8⅜	Fibrbd			18	71	11⅜	11⅛	11⅜	—
12⅜	7⅜	FidFn	.48	4.1	9	1	11⅜	11⅜	11⅜	—
12⅜	7⅜	FtAusl	.62e	7.4	—	182	8⅜	8⅜	8⅜	—
9⅜	6⅜	FAucPr	1.08e	11.9	—	550	9⅛	9	9	—
9⅜	7⅜	FMCntrl	.10	1.5

MEDIA MARKETS

Defying Trend, Agency In U.K. Seeks U.S. Firms

By Kim Foltz
New York Times Service

NEW YORK — Michael Greenlees, the co-chairman and chief executive of London-based Gold Greenlees Trott, is one British agency executive who is still hungry for acquisitions. Saatchi & Saatchi Co. is shedding some of the companies it acquired and WPP Group is still digesting its last big purchase — it bought Ogilvy & Mather last year for $864 million. But Mr. Greenlees said he is shopping for a small West Coast agency to add to the group of three regional U.S. agencies Gold Greenlees has acquired in the last two years.

"I'm trying to build a network of small, highly creative agencies that will kill themselves for their clients," Mr. Greenlees said in an interview. "I want to build critical acclaim, not critical mass."

Gold Greenlees wants to build a network of 'small, highly creative agencies.'

Mr. Greenlees said he had held informal talks with a number of agencies, including Goodby, Berlin, Silverstein in San Francisco.

Andy Berlin, the managing director of Goodby Berlin, said that while he was "flattered" by Mr. Greenlees's attention, the agency is not for sale.

The 10-year-old Gold Greenlees, which has billings of about $150 million at its London office, owns three American agencies, Martin/Williams in Minneapolis; Babbit & Reiman, in Atlanta, and GSD&M, an agency based in Austin, Texas.

Finding the financing right now for more acquisitions might be difficult, industry analysts said. London's financial community has soured lately on underwriting acquisitions of American agencies. And British advertising is in a slump.

Gold Greenlees has made its acquisitions by forging deals in which payment was made with a combination of cash and equity. The deal for GSD&M, for example, called for $13.5 million in cash with deferred financial consideration of as much as $35 million, depending on profits over four years.

GOLD GREENLEES has created award-winning advertising for clients like Toshiba Corp., Mazda Motor Corp. and Cadbury Schweppes PLC. It is the only agency other than Leo Burnett to produce ads for Marlboro cigarettes.

GSD&M, which has billings of about $150 million, creates advertising for Sea World of Texas, Southwest Airlines and Adolph Coors Co.

The Martin/Williams agency, with billings of about $100 million, creates advertising for Minnesota Mining & Manufacturing Co., Honeywell Inc. and Duracell Inc. A humorous campaign for Kemp's Frozen Yogurt, for example, showed a weight-conscious cow on a treadmill.

Babbitt & Reiman, billing about $53 million, does ads for Lanier Worldwide, Days Inns of America and USA Today.

"The only difference between our ads and the ones Gold Greenlees creates is that their ads have an English accent," said Joey Reiman, the chairman and chief executive of Babitt & Reiman.

Mr. Greenlees said he is now more involved with Babitt & Reiman because the Atlanta agency opened an office in New York in December. "It's a risk," he said. "It may fizzle out."

So far, the New York office has picked up five accounts, including the $2 million Us magazine account, and has billings of about $17 million.

Establishing an agency network in Europe is also occupying more of Mr. Greenlees's time. By the end of this year, he hopes to have acquired agencies in Milan, Madrid and Paris.

Executives at the American agencies owned by Gold Greenlees said the creation of an international network was a primary reason they became part of the London agency. "It can mean a tremendous gain for us," said David Floren, the chairman and chief executive of Martin/Williams. "Some day, we'll be able to combine all the agencies to serve one big multinational client. That's the real payoff."

Bonn Cartel Office Checks Energy Bid

Reuters

BERLIN — The West German cartel office has started an investigation into the possible acquisition of all East German energy suppliers and networks by three West German utility companies, a spokesman at the office said Tuesday.

He said the Federal Cartel Office had started to look into the possible takeovers by Veba AG, RWE AG and Bayernwerk AG.

West German banks and insurance companies are targeting East Germany. Page 15.

The companies had denied press reports they were taking over the whole East German power industry for 10 billion Deutsche marks ($6.6 billion), but said they were talking with East Berlin about possible stakes in East German energy firms.

Industry analysts said West Germany's utility giants were breaking into the East German energy market even though the move would suck up huge investments.

"It will take a long period for the investment to bear fruit," said Susan Scott, European energy analyst at Hoare Govett Investment Research Ltd. in London.

"But they know they have to do it," she said, or else somebody else would break in, as the prospect for the market was "extremely strong in the long run."

The West German companies said they are negotiating over possible stakes in East German energy companies which will be established to replace the state monopoly.

After initial euphoria over German unification and the vast new market opening up in the east, West German companies have become cautious about East Germany.

The East German parliament and West Germany's cartel office have expressed concerns over the possible energy takeover by the three western giants, saying it would only strengthen their already powerful market position.

However, analysts say both East Germany and West Germany have little choice but to allow the cash-rich companies to gain a foothold in East Germany.

"East Germany has no time to lose," said Heino Ruland, an analyst at Bank Julius Baer AG in Frankfurt. "Energy is so fundamental for the economy that they have to come up with an agreement pretty soon."

West German newspapers have speculated it would cost

See CARTEL, Page 15

Dai-Ichi Life Sets Big U.S. Deal

Compiled by Our Staff From Dispatches

TOKYO — Dai-Ichi Mutual Life said Tuesday that it would buy nearly 10 percent of Lincoln National Corp. for $312 million in what the companies called the largest investment in a U.S. insurer by a Japanese insurance company.

The move by Dai-Ichi Mutual Life Insurance Co. is one of the most notable by Japanese insurers in their drive to expand their equity stakes in foreign financial corporations.

Dai-Ichi Mutual is Japan's second-largest life insurance company, and the world's third-largest. It reported assets of $110 billion and revenue of $23 billion at the end of its fiscal year, March 31.

Lincoln National, based in Fort Wayne, Indiana, reported assets of $25 billion and revenue of $8.1 billion at the end of 1989.

Under terms of the agreement, Dai-Ichi will buy two new series of Lincoln National convertible preferred stock and will enter into a series of business relationships with the corporation.

The new convertible preferred stock, which will only be sold to Dai-Ichi, is worth about $312 million, Lincoln officers said.

"This is a very attractive arrangement for both Lincoln National and Dai-Ichi Mutual Life," said Ian M. Rolland, president and chief executive of Lincoln National, one of the largest U.S. insurance holding companies. "It offers strategic opportunities for both of our companies."

"We think Lincoln National is a highly regarded and soundly managed company," Takahide Sakurai, president of Dai-Ichi Mutual Life, said in a statement. "This transaction offers us a good investment opportunity."

It was not the first time Dai-Ichi has ventured abroad. In December, it bought a 5 percent stake in Groupe Victoire, the French insurance company that is a unit of Compagnie Financière de Suez.

In January, Nippon Life Insurance Co. agreed to invest $200 million in American Express Co., and Meiji Mutual Life Insurance Co. bought a 1 percent holding in Hongkong & Shanghai Banking Corp. for $41 million.

Tuesday's agreement calls for Dai-Ichi to buy a 5 percent share of Lincoln National through the first series of convertible preferred now and another 4.6 percent share through a second series of convertible preferred stock within a year.

Also, Lincoln National and Dai-Ichi will develop reciprocal relationships in investment management, reinsurance, pension products and group health products. A joint management committee will be formed.

Mr. Rolland said the two companies' relationship dated back to visits by Dai-Ichi officers to Fort Wayne almost 30 years ago. Lincoln National and Dai-Ichi Mutual Life entered into a reinsurance agreement in 1987, he said.

The alliance will feature an exchange of trainees that will heighten each company's understanding of their respective markets, Mr. Rolland said.

"We are hopeful this will give Lincoln National greater visibility in the international equity markets and provide better business opportunities, particularly in Japan, where Lincoln National is listed on the Tokyo Stock Exchange," he said.

The company is listed on the New York, Midwest, Pacific, London and Tokyo stock exchanges, and has affiliates throughout the United States and United Kingdom.

"This is an alliance for two companies who are familiar with each other's strengths and values," Mr. Sakurai said. "We both believe that good customer service is vital. We both believe that sound investment practices are the key to our businesses.

"And we both believe that future growth and prosperity relies upon our finding new opportunities in our industry."

A standstill agreement prohibiting Dai-Ichi from acquiring more shares will be in effect for 25 years, Lincoln said.

(UPI, AFP)

Mitsui Provides Capital To Help Troubled Unisys

Reuters

BLUE BELL, Pennsylvania — Unisys Corp., the troubled U.S. computer company which has been undergoing a major restructuring, said Tuesday that Mitsui & Co. of Japan has agreed to provide it with an injection of capital.

Mitsui will take $150 million of Unisys convertible preferred stock in two series and a $50 million five-year subordinated loan. The preferred stock will be convertible at the option of Mitsui into Unisys common stock.

"This transaction with our long-standing business partner in Japan, Mitsui, is a significant step in our program to strengthen the Unisys capital structure during this rebuilding year," James A. Unruh, Unisys president and chief executive, said.

Mitsui has no other equity holdings in Unisys. Mitsui and Unisys own equal interest in Nihon Unisys Ltd., a joint venture in Japan which markets commercial information systems.

Unisys said the five-year subordinated loan is unsecured and will bear interest at the rate of 11⅞ percent per year, payable quarterly.

The deal is expected to be completed by June 28, 1990.

Chrysler Buys Further Into Car Rental Business

United Press International

DETROIT — Chrysler Corp. announced Tuesday it plans to buy Dollar Rent A Car Systems Inc., the world's fourth-largest rental car chain, as part of the company's efforts to bolster fleet sales and increase consumer exposure to its products.

Terms of the purchase were not disclosed.

Last year, Chrysler purchased Thrifty Rent-A-Car System Inc., based in Tulsa, Oklahoma, for about $263 million and Snappy rental systems, which specializes in the insurance vehicle replacement business.

While Thrifty caters more to the suburban market, Dollar has a strong presence at airport locations. Chrysler officials said Thrifty and Dollar would be run as independently operated companies under existing brand names, largely because antitrust laws prohibit their merger.

"We can certainly take advantage of synergies to lower our cost of doing business for both of them," said Meloyde Blancett-Scott, a spokeswoman for Pentastar Transportation Group, Chrysler's wholly owned unit in Tulsa that operates its rental business.

Dollar was founded in 1966 by Henry J. Caruso, the president and owner who will be retained as a consultant.

The purchase is viewed as a way for Chrysler to enhance its presence in the rental market and bolster fleet sales as a means of helping cushion soft retail sales while keeping assembly plants running.

The deal also serves as a way for potential car buyers to become familiar with Chrysler products.

The Chrysler chairman, Lee A. Iacocca, said recently that severe competition in the rental fleet business has made it difficult for the No. 3 carmaker to sell its products to Thrifty.

"The competitive pricing situation as it is today is a problem," conceded Ms. Blancett-Scott. "Many times we can't match some deals out there, but we don't see that as long-term problem. There are also long-term benefits as our fleet penetration increases."

Currently, about 25 percent of Dollar's fleet are Chrysler vehicles, while a majority of the fleet consists of those made by General Motors Corp., she said. About 50 to 60 percent of Thrifty's fleet are Chrysler vehicles, down from about 85 percent.

"But with our current fleet plans, we expect to be back up to about 80 percent this fall at Thrifty," Ms. Blancett-Scott said.

In terms of worldwide locations, Hertz Corp. is the largest rental car firm, followed by Avis Inc., Budget Rent-a-Car Corp., Dollar, National Car Rental System Inc.and Thrifty.

Socialists May Seek Law To Take Over Framatome

Reuters

PARIS — The parliamentary chairman of France's ruling Socialist Party threatened Tuesday to introduce a bill to nationalize the nuclear power plant builder Framatome SA.

In spite of official warnings that the government wished to retain control, Compagnie Générale d'Electricité acquired 52 percent of Framatome two weeks ago.

Louis Mermaz, the head of the Socialist Party group in parliament, hinted that the party would propose nationalization only if a bid to buy out CGE's stake failed. President François Mitterrand's office has declared that the state should hold 51 percent.

CGE, which already held 40 percent of Framatome, bought a 12 percent holding from the construction group Dumez.

The CGE chairman, Pierre Suard, has said he is open to proposals and the state-owned bank, Crédit Lyonnais, announced that it is lining up potential purchasers for all or part of CGE's stake.

Motorola Skyphone Bids for Backing

Compiled by Our Staff From Dispatches

NEW YORK — With the announcement Tuesday that Motorola Inc. plans to develop a hand-held telephone for use anywhere, the company's toughest battle now may involve sales technique more than technology: Partners must be attracted to bear the cost and sovereign nations must be persuaded to open their airwaves.

A portable telephone that can place a call from anywhere has been the hope of science fiction and telephone engineers for several decades, but Motorola said the technology now exists.

With service at least six years away, analysts say investors are concerned about earnings. Motorola stock tumbled $3.125 to $80.50 on Tuesday on the New York Stock Exchange.

Motorola expects a consortium of countries and companies to provide the bulk of $2.1 billion funding. It is underwriting the development, but the company plans to contribute only $200 million.

It has no outside financial commitments as yet.

Motorola would charge under $3,500 for a phone that would fit in an overcoat pocket and allow the user to make and receive calls from the North Pole or Antarctica. Conventional portable phones today can be used only where radio antennas are close enough for relay.

Motorola's system supplements conventional antennas with 77 satellites, said Durrell W. Hillis, general manager of the company's satellite communications division.

Technology has been developed and needs only to be adapted, Mr. Hillis said.

Other companies have found that the initial investment and the operating costs of satellite systems tend to exceed expectations, said Kenneth A. Homon, the former vice president of planning for Satellite Business Systems, a failed effort by International Business Machines Corp. to offer satellite-based telephone communications between fixed sites.

In 1994, the company plans to begin launching inexpensive 700-pound (318-kilogram) satellites built to last five years.

Motorola will need at least 700,000 users to break even. Officials forecast that the system could attract as many as 5 million subscribers worldwide by the turn of the century.

Motorola earned $498 million on sales of $9.6 billion last year, and

See PHONE, Page 15

AIG Deal Shows Thirst For Capital in Leasing

New York Times Service

LOS ANGELES — The move by American International Group Inc. to acquire one of the world's biggest airplane leasing concerns highlights the red-hot appeal of the leasing business but also demonstrates that such companies can grow only so far without a deep-pocketed partner.

American International said Monday that it will acquire International Lease Finance Corp., the world's second largest leasing firm, in a $1.3 billion transaction.

For AIG, primarily an insurance company, the move represents a diversification into a new area of financial services.

"We think this is a superb addition to our range of financial services," said Edward E. Matthews, vice chairman of finance. "With its worldwide business and our international focus, it's a very natural partnership."

He also said: "Our equity will enhance International Lease's ability to raise funds. For any company that is relatively small and fast-growing, the question is always whether they can raise the equity they need to sustain growth."

In over-the-counter trading on Tuesday, International Lease shares climbed $3.875 to $31, while AIG shares fell a sharp $2.625 to $94 on the New York Stock Exchange.

Company executives and industry analysts said International Lease, which is based in Beverly Hills, California, decided to sell because it was no longer confident it could raise the money it needed to expand.

"Having, as we call it, a 'Big Daddy' such as AIG behind us solidifies the future of the company and results in a good transaction for all shareholders," said Louis L. Gonda, International Lease's executive vice president.

Daniel A. Hersh, an analyst at Bateman Eichler, Hill Richards in Los Angeles, said that despite consistently good earnings, the company's stock has been trading on the low side, and its executives had grown frustrated with the company's equity valuation.

"It's a high-debt company, and nobody wants those anymore," Mr. Hersh said.

CURRENCY RATES

Cross Rates

June 26

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8885	3.2755	1.1252	0.3365	0.1537 *	—	5.408 *	1.337	1.2196 *	1.61	1.832 *
Brussels	34.625	59.4875	20.5575	6.112	2.8019 *	18.227	—	24.409	0.2223	29.33	0.334 *
Frankfurt	1.6789	2.911	—	0.2981	0.1346 *	0.8888	4.877 *	1.1985	1.084 *	1.4384	1.626 *
London (a)	1.7365	—	2.9098	9.7563	2,130.60	3.274	59.62	2.4478	289.17	2.0345	178.44
Madrid	103.144	178.87	61.429	18.315	8.39 *	54.55	2.996	73.307	66.574 *	87.34	—
Milan	1,229.25	2,130.30	731.95	218.21	—	650.45	35.697	878.32	7.935	1,046.70	11.919
New York (b)	—	1.7423 a	1.683	5.581	1,230.00	1.8713	34.265	1.4005	154.675	1.1713	102.25
Paris	5.6315	9.789	3.3543	—	0.4583 *	2.9813	0.1636	3.992	3.635 *	4.795	5.467 *
Tokyo	155.15	268.18	92.27	27.51	0.1261	82.85	4.5036	109.80	—	132.27	1.5032
Toronto	1.1718	2.0383	0.7041	0.2096	0.0613 *	0.6255	3.412 *	0.8376	0.7576 *	—	1.141 *
Zurich	1.404	2.4521	0.8478	0.2508	0.1149 *	0.7472	4.1043 *	—	0.912 *	1.205	1.3484 *
1 ECU	1.2284	0.7096	2.0647	6.9240	1,511.17	2.3232	42.2356	1.7358	190.426	1.4428	126.758
1 SDR	1.3173	0.7596	2.2017	7.4186	1,619.56	2.4891	45.3494	1.8588	204.517	1.5518	135.876

Closings in London and Zurich, fixings in other centers. New York closing rates, Toronto rates of 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5330.2	Greek drac.	164.10	Mex. peso	2849.00	S. Afr. rand	2.6635
Austral. $	1.2739	Hong Kong $	7.784	N. Zealand $	1.7065	Soviet ruble*	0.5976
Austr. schil.	11.81	Indian rupee	17.452	Norw. krone	6.45	Swed. krona	6.072
Brazil cruz.	56.00	Indo. rupiah	1845.02	Phil. peso	22.77	Taiwan $	27.20
Chinese yuan*	4.72	Irish £	0.6262	Port. escudo	147.20	Thai baht	25.73
Danish krone	6.387	Israeli shek.	2.02	Saudi riyal	3.7496	Turkish lira	2615.00
Egypt. pound	2.7034	Kuwaiti dinar	0.2929	Sing. $	1.842	UAE dirham	3.6725
Fin. markka	3.9465	Malay. ring.	2.7103	S. Kor. won	716.60	Venez. boliv.	47.80

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7227	1.7141	1.7054	Canadian dollar	1.1779	1.1830	1.1881
Japanese yen	154.72	154.60	154.48	Swiss franc	1.4116	1.4110	1.4106
Deutsche mark	1.6790	1.6786	1.6786				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 26

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8 5/16-8 7/16	7⅞-8	8⅞-9	14 13/16-14 15/16	9 9/16-9 11/16	7⅜-7½	9¾-9⅞	8¾
2 months	8¼-8⅜	8-8⅛	8 13/16-8 15/16	14 13/16-14 15/16	9 13/16-9 15/16	7⅜-7½	9 15/16-10 1/16	8 ¾
3 months	8¼-8⅜	8 1/16-8 3/16	8⅝-8¾	14⅞-14 ⅞	9⅞-10	7⅜-7½	10-10⅛	8⅞
6 months	8 5/16-8 7/16	8 5/16-8 7/16	8 5/16-8 7/16	14⅝-14¾	10-10⅛	7 5/16-7 7/16	10¼-10⅜	9
1 year	8½-8⅝	8⅝-8¾	8 1/16-8 3/16	14 5/16-14 7/16	10 1/16-10 3/16	7 5/16-7 7/16	10⅜-10½	9 ⅛

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 26

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8 5/16	8 5/16
Comm paper 30-179 days	7.87	7.87
3-month Treasury bills	7.78	7.81
6-month Treasury bills	7.67	7.69
1-year Treasury bills	7.59	7.62
30-year Treasury bond	8.51	8.52
3-month CD's	7.70	7.80
6-month CD's	7.70	7.80
Japan		
Discount rate	5¼	5¼
Call money	7 11/32	7 11/32
2-month interbank	7⅝	7⅝
3-month interbank	7⅝	7 11/16
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	7.95	7.90
1-month interbank	7.95	7.95
3-month interbank	8.30	8.30
6-month interbank	8.55	8.55
Britain		
Bank base rate	15.00	15.00
Call money	15.00	14 15/16
3-month interbank	14 29/32	14 29/32
6-month interbank	14 29/32	14 29/32
France		
Intervention rate	9¼	9¼
Call money	9 13/16	9 13/16
1-month interbank	9⅝	9 11/16
3-month interbank	9 15/16	9⅞
6-month interbank	10 1/16	10 1/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 26

1 month	8¼ - 8⅜
2 months	8¼ - 8⅜
3 months	8¼ - 8⅜
6 months	8 5/16 - 8 7/16
1 year	8 ½ - 8 ⅝

Source: Reuters.

U.S. Money Market Funds

June 26

Merrill Lynch Ready Assets
30-day average yield: 7.81
Telerate Interest Rate Index: 8.162
Source: Merrill Lynch, Telerate.

GOLD

June 26

	A.M.	P.M.	Ch'ge
Hong Kong	352.85	353.25	+2.20
Luxembourg	353.35	—	+2.35
Paris (12.5 kilo)	354.12	353.48	−0.48
Zurich	352.75	349.75	−4.00
London	353.10	349.35	−4.85
New York	—	350.00	−3.25

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

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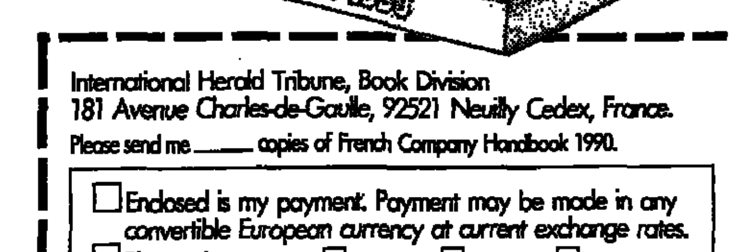

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MARKET DIARY

Stocks Close Lower After Early Rally

United Press International

NEW YORK — Prices ended slightly lower Tuesday on the New York Stock Exchange, after an early rally, tied to President George Bush's acknowledgment that tax hikes were needed to cut the federal budget deficit, was wiped out.

The Dow Jones industrial average, which lost 12.13 points Monday, eased 2.72 to close at 2,842.33.

N.Y. Stocks

The blue-chip index was up more than 30 points at mid-morning.

Among broader market gauges, the New York Stock Exchange composite index fell 0.30 to 192.47 and Standard & Poor's 500-stock index fell 0.25 to 352.06. The price of an average share lost 3 cents.

Declines led advances by a narrow margin. Gaining issues had led by about a 3-to-1 margin shortly after the opening.

Big Board volume totaled 141.4 million shares, compared with 133.1 million shares traded Monday. The pace lightened from the day. The pace lightened from the moderate turnover earlier in the session.

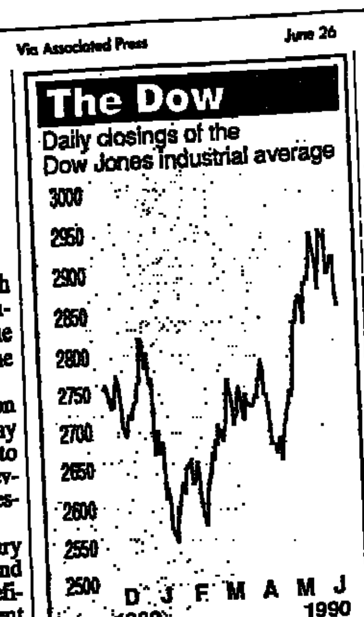
Mr. Bush reversed his opposition to tax increases by saying Tuesday "it is clear to me" that the need to reduce the deficit requires "tax revenue increases" and cuts in domestic spending.

In the early going, Treasury bonds rallied on the news and stocks followed, since a lower deficit likely means less government borrowing and more room for interest rates to fall. Some analysts also say a deficit-reduction plan might prompt the Federal Reserve to cut short-term interest rates.

Treasury bond futures closed up 12/32. The 30-year bond itself had been up as much as 26/32.

Caterpillar was the most active issue, tumbling 6 to 52½ after the stock lost $5 a share Monday.

Via Associated Press June 26



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Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2865.59	2882.92	2832.67	2842.33	— 2.72
Trans	1153.28	1159.85	1130.66	1135.77	— 12.04
Util	207.43	209.38	206.42	206.93	+ 0.06
Comp	1028.93	1035.58	1015.68	1019.32	— 3.69

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	417.92	412.95	413.25	—0.38
Transp.	278.39	273.66	273.88	—2.38
Utilities	140.88	138.99	139.35	—0.36
Finance	28.82	28.47	28.47	—0.05
SP 500	356.09	351.85	352.06	—0.25
SP 100	339.32	334.74	335.04	—0.71

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	194.10	192.47	192.47	—0.30
Industrials	229.91	227.97	227.97	—0.31
Transp.	172.85	171.06	171.06	—0.77
Utilities	92.02	91.35	91.35	+0.25
Finance	143.85	142.92	142.92	—0.14

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	455.38	—0.26	460.53	457.51
Industrials	488.78	—0.12	492.24	487.58
Finance	447.41	—0.41	453.99	454.83
Insurance	497.67	—2.19	502.40	498.94
Utilities	640.21	—0.92	658.86	655.64
Banks	336.46	—0.89	343.19	347.81
Transp.	481.64	+1.88	484.68	482.46

AMEX Stock Index

High	Low	Close	Ch'ge
358.39	356.69	356.80	—0.59

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	98.69	—0.03
Utilities	91.75	—0.06
Industrials	89.63	Unch.

Market Sales

NYSE 4 p.m. volume	141,420,000
NYSE prev. cons. close	157,870,270
Amex 4 p.m. volume	10,540,000
Amex prev. cons. close	12,359,000
NASDAQ 4 p.m. volume	131,615,200
NASDAQ prev. 4 p.m. volume	113,558,700

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
June 25	378,634	634,432	108,835
June 22	743,551	670,481	30,204
June 21	448,097	567,888	15,282
June 20	470,288	590,459	26,396
June 19	472,076	625,344	38,485

*Included in the sales figures

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Caterp	49124	52⅝	51½	52½	—6
PhilMr s	25365	47¼	46⅝	46⅞	+ ¼
Unitel s	19402	38¼	37¼	37⅜	— ⅜
CmwE	14259	32⅝	32¼	32½	
DowCh s	12810	59½	57⅞	57⅞	—1½
IBM	12543	118	116½	116⅝	+ ⅛
Armco	12447	8	7⅝	7⅝	+ ⅛
AmExp	12203	30⅜	30⅛	30⅛	— ⅛
TranEx	12038	4	3⅝	3½	
GnMotr	11993	48¼	46⅞	46⅞	—1
Exxon	11862	47⅛	46⅝	47	— ⅛
DetEd	11473	26	25⅝	25¾	— ⅛
Motorla	10512	85	80½	81	—3⅛
GenEl	10493	70	69	69	— ⅜
Boeing s	10372	58¼	57	57⅝	+ ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
FruitL	10476	11½	10⅝	11⅜	+ ⅜
AT&E	5351	21¼	18½	18¾	—1¾
Telesph	3377	4⅛	4	4⅛	
ContAir	2768	6½	6⅜	6⅜	
A-mo sc	2657	23¼	22½	22⅝	+ ¼
Hlthvr n	2646	1⅛	1½	1⅛	— ⅛
Alphaln	2615	2⅞	2⅝	2⅝	
SNk f93wt	2449	9⅝	9⅜	9⅜	— ⅛
SNk f93wf	2445	8⅞	8⅝	8⅝	— ½
Dk Nk wt	2066	9⅝	9⅜	9½	— ¼
CamCr	2054	24⅜	23¾	24	+ ⅜
Alza	1950	43⅛	42½	43	+ ½
Diasonc	1944	3⅝	3⅝	3⅞	+ ⅞
Nabors	1936	5⅝	5⅝	5⅝	
NVR	1795	2¼	2	2⅛	

NYSE Diary

	Close	Prev.
Advanced	703	496
Declined	752	1049
Unchanged	532	460
Total issues	1987	2005
New Highs	26	16
New Lows	52	56

Amex Diary

	Close	Prev.
Advanced	239	216
Declined	285	357
Unchanged	273	239
Total issues	797	812
New Highs	14	15
New Lows	28	33

NASDAQ Diary

	Close	Prev.
Advanced	889	765
Declined	975	1,136
Unchanged	2,426	2,390
Total Issues	4,290	4,291

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
LL&E Royalty Trust	M	.03912	7-15	7-5
INCREASED				
Super Valu Stores	Q	.16½	9-15	x-8-31
Wash Fedl S&L	Q	.24	7-27	7-10
REVERSE STOCK SPLIT				
Spectrum Datatech Inc — 1-for-7				
STOCK				
North Amer Natl		.6PC	7-13	6-29
USUAL				
Amer Adj Ret Term	M	.077	7-25	7-9
Ameron Inc	Q	.32	8-21	7-26
Cascade Nat Gas	Q	.33	8-15	7-16
General Signal	Q	.45	10-1	9-10
Measurex Corp	Q	.11	7-18	7-5
Metropolitan Fncl	Q	.11	7-31	7-16
North Amer Natl	A	.02	7-13	6-29

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

Currency Options

June 26

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jul	Aug	Sep	Puts—Last Jul	Aug	Sep
50,000 Australian Dollars-cents per unit.							
Dollr	74	r	r	r	r	0.09	0.30
78.47	77	r	r	r	0.19	r	r
78.47	78	r	r	r	0.53	r	1.72
78.47	79	0.30	r	r	r	r	r
78.47	81	r	0.13	r	r	r	
500,000 Australian Dollars-European Style.							
78.47	77	r	r	r	r	0.58	
31,250 British Pounds-cents per unit.							
Pound	165	r	r	r	r	r	0.90
173.88	167½	r	r	r	0.10	0.64	1.40
173.88	170	r	r	r	0.25	1.12	r
173.88	172½	1.45	2.20	r	0.82	r	r
173.88	175	0.53	r	r	2.35	3.95	r
173.88	177½	0.14	r	1.10	r	r	
50,000 Canadian Dollars-cents per unit.							
Dollr	82	r	r	r	r	r	0.18
85.28	82½	r	r	r	r	0.10	r
85.28	83	r	r	r	r	0.14	0.35
85.28	84	r	r	r	0.10	0.36	0.67
85.28	84½	r	r	r	0.19	r	r
85.28	85	0.43	r	r	0.37	0.81	1.27
85.28	85½	r	r	r	0.73	r	r
85.28	86	r	r	0.29	1.07	r	
50,000 Canadian Dollars-European Style.							
Dollar	84½	0.67	r	r	0.20	r	r
85.28	85	0.40	r	r	0.38	r	
62,500 West German Marks-cents per unit.							
Mark	57	r	r	r	r	r	0.20
60.00	58	r	r	r	r	0.17	0.34
60.00	58½	1.49	r	s	0.08	0.30	
60.00	59	0.89	r	1.51	0.13	0.39	0.70
60.00	59½	0.52	s	s	0.26	0.68	
60.00	60	0.46	0.74	1.00	0.46	0.77	1.10
60.00	60½	0.23	r	s	r	r	
60.00	61	0.14	r	0.48	r	r	r
60.00	61½	0.03	r	s	r	r	
6.25 mil Japanese Yen-100ths of a cent per unit.							
Yen	63	r	r	r	0.24		r
64.59	64	r	r	0.22	r		r
64.59	64½	r	0.77	s	r	0.67	
64.59	65	r	0.79	r	r		1.14
64.59	65½	0.15	r	s	r	r	
64.59	66	0.89	0.25	0.45	r	r	1.86
64.59	66½	0.05	r	s	r	r	
64.59	67	r	0.12	0.28	r	r	
622,500 Swiss Francs-cents per unit.							
Franc	69	r	r	r	0.05	r	0.59
71.43	69½	r	r	s	0.16	r	
71.43	70	1.00	r	r	0.15	r	0.76
71.43	71	0.82	r	r	r	r	r
71.43	71½	0.54	r	s	0.63	r	
71.43	72	r	r	1.01	r	r	r
71.43	74	r	r	0.33	r	r	

Total call vol. 24,519 — 275,725

Total put vol. 18,639 — 269,512

r—Not traded. s—No option offered.

Last is premium (purchase price).

S&P 100 Index Options

June 26

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
295	—	—	—	—	⅛	—	—	—
300	—	—	—	—	⅜	1⅛	—	—
305	—	—	—	—	⅝	1⅝	—	—
310	27½	—	—	—	¾	2	3⅝	—
315	22⅝	26½	30	—	1	2⅝	4⅛	—
320	19⅝	22½	25½	—	1⅜	3⅝	5	—
325	15⅝	—	22¾	—	2⅛	4⅜	6⅛	—
330	9½	12⅝	17½	20½	3¼	5⅝	8	8½
335	6⅜	9⅝	15⅜	—	4⅝	7⅝	9½	—
340	3⅝	7	10⅝	14⅝	7½	9⅜	12⅜	11½
345	2⅛	4⅝	9¼	—	10⅝	11⅞	—	—
350	1⅛	3⅛	6	9	13⅝	16⅜	17	—
355	⅝	1⅝	4½	—	17⅝	20	19⅝	—
360	⅜	1⅛	2⅝	5½	23	21⅝	24⅝	—
365	3/16	⅝	1⅝	—	—	—	—	—

Calls: total vol. 97,264; total open int. 357,917

Puts: total vol. 115,689; total open int. 322,458

S&P 100 index: High 339.32 low 334.74 close 335.04 —0.71

Source: CBOE.

European Commodities

	Close Bid	Ask	High	Low	Previous Bid	Ask
LONDON SUGAR U.S. Dollars per metric ton						
Aug	277.40	278.00	281.20	278.00	281.40	281.60
Oct	274.20	274.60	278.60	273.80	278.00	278.20
Dec	260.00	278.00	280.00	280.80	265.20	284.80
Mar	265.80	266.00	268.20	264.60	268.20	268.60
May	264.40	266.00	267.50	267.00	267.80	268.00
Aug	265.20	266.00	267.60	267.40	266.60	N.T.
Oct	262.00	264.00	264.80	264.00	259.80	263.00
Volume: 1,142 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Jul	746	747	752	735	N.A.	N.A.
Sep	772	773	780	760	—	—
Dec	801	802	807	793	—	—
Mar	830	831	835	822	—	—
May	848	849	852	841	—	—
Jul	866	867	871	864	—	—
Sep	883	884	888	883	—	—
Volume: 5,423 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton.						
Jul	556	557	569	550	566	568
Sep	579	580	591	575	585	586
Nov	598	599	610	595	605	606
Jan	615	616	627	612	622	623
Mar	630	631	644	633	635	637
May	640	648	662	647	650	654
Jul	657	663	N.T.	N.T.	665	669
Volume: 5,184 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Jul	145.50	145.75	147.00	145.50	147.25	147.50
Aug	145.50	145.75	147.50	145.50	148.00	148.25
Sep	148.00	148.25	149.25	148.00	150.00	150.50
Oct	151.00	151.50	152.25	151.50	152.50	154.50
Nov	153.25	153.50	154.00	153.00	154.00	155.00
Dec	155.00	155.50	156.00	155.00	155.00	156.00
Jan	155.00	155.25	156.00	155.25	155.50	156.00
Feb	151.00	151.25	151.25	150.75	150.00	152.50
Mar	147.25	148.00	149.00	147.25	—	148.00
Volume: 7,096 lots of 100 tons.						

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Aug	2,172	2,155	2,155	2,160	—5
Oct	2,025	2,000	2,000	2,091	—25
Dec	N.T.	N.T.	1,970	1,990	—13
Mar	1,975	1,960	1,950	1,965	—11
May	N.T.	N.T.	1,940	1,945	—8
Aug	N.T.	N.T.	1,935	1,960	—13

Est. vol.: 687 lots of 50 tons. Prev. actual sales: 643 lots. Open interest: 17,169.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

London Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1531.00	1533.00	1529.00	1532.00
Forward	1556.00	1557.00	1554.00	1555.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1446.00	1450.00	1460.00	1462.00
Forward	1417.00	1418.00	1440.00	1442.00
LEAD Sterling per metric ton				
Spot	493.00	495.00	493.00	495.00
Forward	497.00	498.00	495.00	496.00
NICKEL Dollars per metric ton				
Spot	8700.00	8725.00	8815.00	8840.00
Forward	8710.00	8725.00	8800.00	8825.00
TIN Dollars per metric ton				
Spot	6150.00	6160.00	6155.00	6165.00
Forward	6270.00	6275.00	6275.00	6280.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1722.00	1727.00	1730.00	1735.00
Forward	1640.00	1642.00	1635.00	1636.00

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.735	0.735
Coffee, lb	0.77	0.77
Copper electrolytic, lb	1.2435	1.2245
Iron FOB, ton	213.00	213.00
Lead, lb	0.45	0.45
Silver, troy oz	4.770	n.a.
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	112.00	112.00
Tin, lb	3.7445	n.a.
Zinc, lb	0.87	0.87

SATIRE IN WORDS AND PICTURES
DOONESBURY
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Dollar Sharply Lower Against Deutsche Mark

Reuters

NEW YORK — The dollar ended sharply lower against the Deutsche mark here Tuesday as speculators focused on the possibility that German interest rates could rise while U.S. rates fall.

After a brief flurry of buying in

Foreign Exchange

the morning on comments by President George Bush that revenue increases would have to be part of deficit reduction, the dollar fell as dealers focused on chances that a budget accord would produce lower U.S. rates.

The U.S. currency closed at 1.6630 DM, down from 1.6775 Monday, and at 154.68 Japanese yen, down from155.37 on Monday.

The British pound rose to $1.7423 from $1.7310 on Monday.

The dollar slipped to 5.5810 against the French franc after closing on Monday at 5.6305, and to 1.4005 Swiss francs from 1.4105.

The selling of dollars was most pronounced in the final 90 minutes, although several dealers said a thin market exacerbated the downturn.

"There was an avalanche of stop-loss orders at 1.6720 marks and 1.6680," said Carl Amendola of Hypobank.

The mark also strengthened against the yen.

Mr. Amendola, who sees the next support zone for the dollar at 1.6565 DM, said dealers in Asia could be in a mood to take profits overnight by buying yen and selling the DM.

Earlier, the dollar fell to a 16-month low against the British pound in European trading but was little changed against other major currencies.

The pound rose to $1.7367, the highest since early 1989 and up from $1.7315.

"I can't expect the dollar to move sharply either way over coming days," said Tsumeo Ohmori, manager at Sanwa Bank in London.

The pound also gained more than a pfennig to close at 2.9116 DM, the highest since November 1989.

GM to Assemble in Czechoslovakia

ZURICH (Reuters) — General Motors Europe, a unit of the U.S. automaker, said Tuesday that it was developing plans to build up to 250,000 automobile transmissions a year in Czechoslovakia.

The transmissions would be exported to GM plants elsewhere in Europe. No further details were given, but the project is separate from a possible venture for light commercial vehicles under study between GM and Bratislavske Automobilove Zavody, GM added.

In January, GM announced plans for a joint venture in Hungary to build car engines and assemble GM's Opel Kadett models, beginning in 1992. Last month GM announced production of the Opel Vectra model would begin in East Germany this year under a joint venture.

Zapata Near Sale of Offshore Rigs

HOUSTON (Reuters) — Zapata Corp., which was founded in 1953 by President George Bush among others, said Tuesday it is close to a deal to sell its 12-rig offshore drilling fleet.

The company is discussing the sale with a number of potential buyers, Chairman R. C. Lassiter said at the annual meeting. Although one of the pioneers in offshore drilling, Zapata lost $57.8 million in the fiscal year ended Sept. 30, 1989. Losses for the first half of 1990 totaled $22 million.

The offshore fleet accounted for 60 percent of the company's asset value, but was the only one of four major divisions to lose money last year. The company will continue operations in natural gas production, commercial fishing and offshore oilfield boats.

Continental Sees 2nd Quarter Loss

CHICAGO (Reuters) — Continental Bank Corp. said Tuesday it will establish a pretax reserve of $50 million to cover the cost of eliminating certain product lines, and there will be a staff reduction of 900, about one-third of them outside Chicago.

The establishment of the reserve will result in a loss for the second quarter, the bank holding company said. Much of the money will be used for employee severance packages.

BAILOUT: *$20 Million Bridge*

(Continued from page 1)

month this year, declining to $300,000 a month in 1992.

This is not merely to indulge his expensive tastes for his 50-room penthouse triplex decorated by a 12-foot (3.6-meter) waterfall, or the 118-room Palm Beach estate once owned by Marjorie Merriweather Post that was too expensive for even the state of Florida to maintain.

The money will go mainly to pay the interest on them until they can be sold along with other Trump trophy properties like the Plaza Hotel in New York. All are in his name, and if Mr. Trump defaults on any of them, the bankruptcy would spread to his personal empire, which is exactly what the banks have been trying to avoid.

But liquidating the Trump properties will be an arduous and lengthy process.

Abraham Wallach, senior vice president of First Capital Management, a New York real estate concern that refused to buy the Plaza before Trump did, reckons that the properties are worth at least 20 percent less than the money the banks advanced on them several years ago — "and nobody is rushing to buy them now."

That raises the question of why the banks rushed to lend the money in the first place. Mr. Wallach says they "bought the New York story that prices would always go up."

Christopher Mahoney, an analyst for Moody's Investors Services, which has downgraded the debt of most New York commercial banks, said the banks had steadily lost their prime corporate customers to the commercial paper market and then to foreign banks.

"As their core business erodes, they are left with more and more marginal borrowers, first the Third World countries, then the leveraged buyouts, and now this," Mr. Mahoney said.

Mr. Wallach reported what other developers had hinted at — that banks now are charging higher interest rates, demanding that developers put up more of their own money, and examining projects with much greater care.

U.S. Bonds Surge on Bush Tax Hike Comments

The Associated Press

NEW YORK — U.S. Treasury bond prices surged and interest rates pulled back Tuesday after President Bush indicated a possible willingness to consider tax hikes to reduce the budget deficit.

The rally helped some widely watched long-term bonds regain much of the ground lost Monday in a slump sparked by concerns about an abundance of new issues coming to market soon.

The credit market's bellwether issue, the 30-year Treasury bond, jumped 19/32 point, or nearly $6.25 per $1,000 face amount, almost making up for Monday's loss of 7/8 point. Its yield retreated to 8.50 percent from 8.55 percent late Monday.

Renewed buying in the bond market followed news that Mr. Bush had said "tax revenue increases" must be included in any deficit-reduction package the White House works out with congressional negotiators.

Trading in the secondary market for Treasury securities picked up from Monday's sluggish pace. An anxious mood prevailed in the previous session amid concerns that prices would come under pressure during a series of bill, note and bond sales.

Those auctions got under way Monday with the Treasury's sale of $17.2 billion in three-month and six-month bills.

The sales continue this week as the Treasury sells $11.25 billion of two-year notes today, $8.25 billion of four-year notes Wednesday and $10.52 billion of one-year bills Thursday.

The federal funds rate, the interest rate that banks charge each other on overnight loans, was quoted at 8-5/16 percent, unchanged from Monday's late level.

WORLD STOCK MARKETS

Agence France Presse June 26

Amsterdam

	Close	Prev.
ABN Bank	37.50	37.70
ACF Holding	41.50	40.50
Aegon	131.40	131.10
Ahold	148	145.50
Akzo	124	123.40
AMEV	58.40	57.90
A'Dam Rubber	5.75	6.20
Amro Bank	74.80	N.A.
Bols	182	180
Buhrmann Tett	72.50	72.20
BVG	N.Q.	—
Center Parcs	60.40	60.60
CSM	86	85
DAF	31.70	31.40
DSM	117.40	117.30
Elsevier	92.30	92
Fokker	48.40	48.10
Gist-Brocades	34.20	34.20
Heineken	124.90	124
Hoogovens	72.80	72.10
Hunter Douglas	99.50	100
IHC Caland	53	52
Inter Mueller	96.50	96.50
KLM	36.10	36.10
KNP	45.60	45.30
Nat Neder	72.40	72.40
Nedlloyd	80.40	80.50
NMB Bank	49.90	49.60
Oce Grinten	58.80	57.70
Pakhoed	203.60	203
Philips	33.70	33.60
Robeco	99.30	99.20
Rodamco	80.90	80.60
Rolinco	99.20	99.30
Rorento	59.50	59.40
Royal Dutch	142.60	142.10
Unilever	158.90	158.50
Van Ommeren	45.90	45
VMF Stork	55.80	55.70
VNU	101.60	101.30
Wessanen	73.70	71.50
Wolters/Kluwer	52.70	53.30

CBS Gen'l trend index: 121.50
Previous: 121.00

Brussels

	Close	Prev.
AG Fin	9790	9730
Arbed	5200	5490
Barco	2395	2370
Bekaert	N.A.	14750
Cockerill	193	196
Cobepa	5680	5680
Delhaize	6420	6410
EBES	3905	3905
GB-Inno-BM	1366	1350
GBL	3910	3970
Gevaert	8410	8450
Hoboken	19000	18550
Intercom	3130	3135
Kredietbank	3900	3900
Petrofina	11900	11800
Royal Belge	5510	5510
Soc Gen Bque	3280	3300
Soc Gen Belgique	3310	3320
Sofina	13225	13600
Solvay	13775	13750
Tractebel	8460	8450
UCB	23050	22700
Unerg Ps	2300	2300

Current Stock Index: 6250.27
Previous: 6255.11

Frankfurt

	Close	Prev.
AEG	291.90	291.50
Allianz Hold	2785	2805
Altana	533.50	532
Asko	934.50	935
BASF	294.50	294.50
Bayer	293.80	295
Bay Vereinsbk	399	398.50
BBC	950	960
BHF Bank	477.50	474
BMW	580	587
Commerzbank	282	282
Continental	330	325
Daimler Benz	836	838
Degussa	486	488
Dt Babcock	221	221.30
Deutsche Bank	797	802.50
Douglas	898	886.50
Dresdner Bank	426.50	429
Feldmuehle	514.50	515.80
Harpener	470	470
Henkel	640	636
Hochtief	1445	1448
Hoechst	269	268.50
Hoesch	335.50	336
Holzmann	1655	1665
Horten	266	267.50
IWKA	421	428
Kali Salz	274	279.50
Karstadt	700	691.50
Kaufhof	648	641
KHD	270	259
Kloeckner Werke	226	227
Krupp Stahl	405	410
Linde	999	1003
Lufthansa	179	183
MAN	486	489
Mannesmann	360	357
Metallgesell	642	651
Muench Rueck	2305	2310
Nixdorf	308	314.50
PKI	551	545
Porsche	1238	1225
Preussag	459.50	459.80
PWA	323	323
RWE	498	497
Rheinmetall	446	450
Schering	814	799
SEL	402	394.50
Siemens	750	753
Thyssen	286	284
Varta	291	290
Veba	442.50	441.50
VEW	225	223.80
Viag	416	414.50
Volkswagen	625	628
Wella	760	744

DAX Index: 1898.36
Previous: 1893.72
FAZ Index: 777.45
Previous: 774.71

Helsinki

	Close	Prev.
Amer A	120	125
Enso-Gutzeit	31.50	32
K.O.P.	48.50	50
Kymmene	85	87
Nokia	100	102
Pohjola	160	160
Stockmann	185	186
United Papers	152	161
Wartsila	420	410

Unitas Index: 556.30
Previous: 564.70

Hong Kong

	Close	Prev.
Bk East Asia	15.50	15.60
Cathay Pacific	9.55	9.50
Cavendish Int'l	3.63	3.63
Cheung Kong	12.80	12.80
China Light Pwr	15	14.90
Dairy Farm Int'l	10	9.90
Hang Lung Dev	5.50	5.40
Hang Seng Bank	28.70	28.70
Henderson Land	8.20	8.15
HK Air Eng.	19.90	19.90
HK China Gas	12.10	11.90
HK Electric	8.35	8.25
HK Land	8.35	8.30
HK Realty Trust	4.83	4.78
HK Shang Bank	5.85	5.85
HK Shang Htls	5.10	5.05
HK Telecomm	6.35	6.30
HK Ferry	5.10	5
Hutch Whampoa	11.80	11.80
Hysan Dev	1.28	1.27
Jardine Math.	32.25	32.25
Jardine Str Hld	17.60	17.20
Kowloon Motor	6.20	6.20
Mandarin Orient	6.15	6.20
Miramar Hotel	7.05	6.95
New World Dev	11.40	11.20
SHK Props	15.10	15.10
Stelux	4.35	4.40
Swire Pac A	21	21
Tai Cheung Pros	4.13	4.15
TVE	1.03	1.03
Wharf Hold	8.45	8.25
Wing On Co	7.30	7.35
Winsor Ind.	8.40	8.30
World Int'l	4.30	4.30

Hang Seng Index: 3292.35
Previous: 3276.44

Johannesburg

	Close	Prev.
AECI	17.50	17.50
Altech	65.50	65.50
Anglo Amer	108.75	109.75
Barlows	34.75	36.25
Blyvoor	9.80	9.80
Buffels	48.50	48.50
GFSA	76.50	76
Harmony	24	22
Highveld Steel	17	17
Kloof	35.50	35.50
Nedbank Grp	10.50	10.50
Rusplat	85	85
SA Brews	38.50	37.50
St Helena	32	31
Sasol	12.25	12.25
Welkom	21	20.50
Western Deep	115	114

Composite Stock Index: 3017
Previous: 2977

London

	Close	Prev.
Allied Lyons	5.10	5.05
Anglo Am Gld	43.50	43.31
AA Corp	16.13	15.44
Asda-MFI Gp	1.19	1.22
Ass Brit Foods	4.02	4.08
Barclays	4.10	4.11
Bass	11.08	11.08
B.A.T.	6.60	6.62
Blue Circle	2.53	2.57
BOC Group	6.10	5.97
Boots	3.06	3.06
Bowater	5.29	5.26
BAe	5.48	5.45
BAA	4.33	4.24
Brit Airways	2.15	2.16
British Gas	2.23	2.22
BP	3.26	3.27
British Steel	1.47	1.47
Brit Telecom	3.03	3.04
BTR	4.30	4.28
Burmah Oil	6.43	6.42
Cable Wire	5.67	5.45
Cadbury Sch	3.55	3.61
Charter Cons	4.88	4.88
Comm Union	5.22	5.24
Cookson	2.15	2.15
Courtaulds	3.65	3.68
Dalgety	3.80	3.77
De Beers	N.A.	—
Dixons	1.51	1.56
Driefontein	5.86	5.57
Eurotunnel	4.90	4.90
Fisons	3.60	3.59
Gen Acc F	11.25	11.19
GEC	1.99	1.98
GKN	4.20	4.12
Glaxo	8.08	8.13
Grand Met	6.61	6.72
Gt Univ Stores	13.50	13.50
GRE	2.47	2.44
Guinness	7.90	7.53
Hanson Tr	2.43	2.43
Hawker Sidd	6.63	6.55
ICI	11.86	11.92
Kingfisher	3.69	3.73
Land Sec	5.07	5.03
Legal Gen Grp	4.21	4.18
Lloyds Bank	3	2.95
Lonrho	2.53	2.53
Lucas Ind	1.63	1.60
Marks Sp	2.45	2.45
Maxwell	1.94	1.96
MB Group	2.09	2.07
Midland Bk	2.95	3
NatWest	3.35	3.42
Pearson Grp	7.48	7.72
P and O	6.59	6.52
Pilkington	2.05	2.08
Prudential	2.34	2.34
Racal Elec	1.97	2
Randfontein	2.60	2.52
Rank Org	8.63	8.60
Reed Int'l	4.74	4.70
Reuters	12.58	12.63
Rolls Royce	2.16	2.16
Royal Dutch	43.75	43.56
RTZ	5.76	5.62
Saatchi	0.83	0.85
Sainsbury	2.91	2.92
Sears Holds	1.02	1.01
Shell	4.45	4.44
Skbeec	5.43	5.43
STC	2.59	2.55
Std Chart Bk	4.73	4.77
Storehouse	1.26	1.27
Sun Alliance	3.38	3.30
Tate and Lyle	3.55	3.58
Tesco	2.28	2.26
Thorn EMI	7.88	7.83
T.I. Group	5.15	5.08
Trafalgar Hse	3.28	3.22
THF	3.08	3.08
Ultramar	3.40	3.30
Unilever	7.06	7
Utd Biscuits	3.55	3.64
Vickers	2.34	2.31
War Loan 3½	33.25	33.50
Wellcome	6.22	6.27
Woolworth	19	19.56

F.T. 30 Index: 1926.60
Previous: 1929.40
F.T.S.E. 100 Index: 2399.80
Previous: 2381.20

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3250	3190
Banco Central	4840	4850
Bco. Santander	4900	4985
Banesto	3865	3855
CEPSA	2125	2125
Dragados	3320	3320
Iberduero	732	700
Telefonica	873	877

S.E. General Index: 272.30
Previous: 270.76

Milan

	Close	Prev.
Banca Comm	5190	5185
Bastogi	321	318.75
Ciga hotels	5780	5940
CIR	5470	5392
Cred Ital	2685	2701
Enimont	1444	1440
Eridania	9428	9420
Ferruzzi Fin.	2980	2988
Ferruzzi Agr.	2760	2781
Fiat SPA	10205	10290
Generali	43600	43650
IFI	28450	28450
Italcem	1514a	15060
Italgas	2945	2975
Immobiliare	2223a	2221a
Mediobanca	20510	20690
Montedison	2050	2055
Olivetti	6640	6830
Pirelli	2745	2780
RAS	26600	26650
Rinascente	7790	7810
Saipem	2797	2799
SIP	1640	1644
SME	4651	4650
Snia	2685	2690
Standa	31450	N.A.
Stet	6901	N.A.
Toro Assi Risp	26450	26350

a: x 100.
Current Index: 1091.30
Previous: 1086.80

Montreal

	Close	Prev.
Alcan Aluminum	25⅝	24⅝
Bank Montreal	N.Q.	27⅛
Bell Canada	38	39⅛
Bombardier A	18	17¼
Bombardier B	18½	N.Q.
Cambior	11¼	11
Cascades	3.95	3.85
Dominion Text A	11¼	11¼
Donohue	N.Q.	—
MacMillan Bl	18	18⅛
Memotec	N.Q.	8½
Natl Bk Canada	9⅝	9½
Noverco	15	15
Power Corp.	14⅝	14½
Provigo	8⅝	8¾
Quebec Tel	N.Q.	13⅞
Quebecor A	12	12
Quebecor B	N.Q.	16⅞
Videotron	13⅝	13

Industrials Index: 1622.13
Previous: 1622.81

Paris

	Close	Prev.
Accor	1042	1038
Air Liquide	789	793
Avions Dassault	500	514
Bancaire (Cie)	402	389
BIC	642	656
Bongrain	3330	3344
Bouygues	665	667
BSN-GD	870	855
Carrefour	3620	3580
Ceras	378	380
C.G.E.	635	630
Chargeurs	1006	1028
Club Med	618	608
Dumez	615	614
Elf-Aquitaine	693	692
Europe 1	1320	1307
Gen. Eaux	2678	2691
Hachette	353.10	348
Havas	671	653
Imetal	361	365
Lafarge Coppee	467.30	468.50
Legrand	4490	4470
Oreal (L')	5460	5440
L.V.M.H.	4575	4562
Matra	373	377
Merlin Gerin	6260	6170
Michelin B	99.90	99.20
Moulinex	102	98.60
Occidentale	780	778
Paribas	645	645
Pernod-Ricard	1256	1255
Perrier	1571	1568
Peugeot	844	831
Printemps (Au)	631	636
Radiotechnique	725	715
Raff. St. Louis	1529	1525
Redoute (La)	3380	3380
Roussel Uclaf	2251	2280
Saint Gobain	583	572
Sanofi	989	981
Skis Rossignol	1045	1050
Ste Generale A	574	565
Suez	438.20	436.10
Telemecanique	4990	4990
Thomson-CSF	122	122.20
Total	690	686
Valeo	580	566

CAC 40 Index: 2051.40
Previous: 2049.86

Sao Paulo

	Close	Prev.
Banco do Brasil	15.10	15
Bradesco	1.05	0.95
Brahma	3.10	2.92
Paranapanema	0.78	0.77
Petrobras	141	139
Vale Rio Doce	28.30	26
Varig	16	14

Bovespa index: 17434
Previous: 16607

Singapore

	Close	Prev.
City Dev.	3.42	3.56
DBS	13.80	13.80
Fraser Neave	8.90	9
Genting	9.35	9.25
Harrisons Plant	1.61	1.60
Haw Par	2.74	2.75
Hume	3.54	3.54
Inchcape	5.25	5.30
Keppel	7.95	7.90
KL Kepong	2.87	2.80
Lum Chang	1.42	1.42
Malayan Banking	8.60	8.40
OCBC	8.40	8.30
OUB	5.90	5.85
OUE	9.15	9.10
Sembawang	7.20	7.10
Shangrila	8.80	8.75
Sime Darby	2.85	2.84
SIA	13.10	13.10
S'pore Land	14.80	14.80
S'pore Press	7.80	7.75
Sing Steamship	3.70	3.66
Straits Trading	3.28	3.28
UOB	5.60	5.60
United Overseas	2.10	2.13

Straits Times ind.: 1523.57
Previous: 1522.48

Stockholm

	Close	Prev.
AGA	315	315
Alfa Laval	275	270
Asea	795	790
Astra -A	540	540
Atlas Copco	350	348
Electrolux B	264	263
Ericsson	1359	1340
Esselte-A	237	237
Handelsbanken	127	127
Pharmacia-A	210	205
Norsk Hydro	197	197.50
Saab-Scania	275	272
Sandvik	318	314
SCA-A	128	130
S-E. Banken	80	81
Skandia F	199	198
Skanska	485	495
SKF	176	175
Stora	342	333
Volvo	334	330

Affaersvaerlden: 1265.80
Previous: 1273.20

Sydney

	Close	Prev.
ANZ	4.98	4.92
BHP	9.48	9.50
Bond	0.14	0.14
Boral	3.46	3.44
Bougainville	0.94	0.90
Coles Myer	7.76	7.78
Comalco	4.08	4.06
CRA	12.35	12.35
CSR	5.38	5.40
Dunlop	5.12	5.08
Elders IXL	1.75	1.75
ICI Australia	4.77	4.80
Magellan	1.62	1.62
MIM	2.39	2.31
Nat Aust Bank	6.38	6.42
News Corp	11.15	11.20
N Broken Hill	2.44	2.43
Poseidon	2.28	2.30
QCT Resources	1.38	1.43
Santos	4.15	4.14
TNT	2.61	2.64
Western Mining	4.57	4.57
Westpac Banking	4.69	4.68
Woodside	2.88	2.88

All ordinaries index: 1513.10
Previous: 1512.80

Tokyo

	Close	Prev.
Akai Electr	1010	1010
Asahi Chemical	875	880
Asahi Glass	1760	1750
Bank of Tokyo	1500	1470
Bridgestone	1460	1440
Canon	1800	1770
Casio	1530	1520
C.Itoh	805	792
Dai Nippon Print	1850	1840
Daiwa House	2380	2390
Daiwa Securities	1500	1460
Fanuc	7050	6990
Fuji Bank	2680	2600
Fuji Photo	4390	4280
Fujitsu	1390	1380
Hitachi	1500	1470
Hitachi Cable	1150	1150
Honda	1780	1720
Ito Yokado	3960	3770
Japan Air Lines	18000	17800
Kajima	1900	1860
Kansai Power	3380	3390
Kawasaki Steel	563	550
Kirin Brewery	1860	1850
Komatsu	1100	1120
Kubota	970	965
Kyocera	8330	8170
Matsu Elec Inds	2060	2060
Matsu Elec Wks	1990	1990
Mitsubishi Bk	2440	2430
Mitsubishi Kasei	730	738
Mitsubishi Elec	980	970
Mitsubishi Hev	1000	990
Mitsubishi Corp	1430	1400
Mitsui and Co	905	897
Mitsukoshi	1770	1780
Mitsumi	1430	1410
NEC	1900	1890
NGK Insulators	1410	1400
Nikko Securities	1210	1200
Nippon Kogaku	1680	1640
Nippon Oil	1300	1280
Nippon Steel	565	551
Nippon Yusen	856	857
Nissan	1100	1070
Nomura Sec	2230	2210
NTT (SF)	9850	9807
Olympus Optical	1530	1540
Pioneer	6150	6070
Ricoh	1080	1060
Sanyo Elec	917	980
Sharp	1820	1800
Shimazu	1160	1130
Shinetsu Chem	1710	1700
Sony	8510	8430
Sumitomo Bk	2500	2480
Sumitomo Chem	645	661
Sumi Marine	1030	1030
Sumitomo Metal	555	555
Taisei Corp	1310	1270
Taisho Marine	1030	1030
Takeda Chem	1680	1690
TDK	7050	6800
Teijin	735	721
Tokyo Marine	1370	1360
Tokyo Elec Pw	4230	4200
Toppan Printing	1740	1730
Toray Ind.	780	770
Toshiba	1070	1050
Toyota	2280	2490
Yamaichi Sec	1240	1230

Nikkei 225: 31572
Previous: 31126
Topix Index: 2323
Previous: 2301

Toronto

	Close	Prev.
Abitibi Price	15⅞	15¾
Agnico Eagle	7⅛	8⅛
Air Canada	10½	10
Alberta Energy	16⅛	16⅛
Am Barrick Res	20¾	21
BCE	39⅛	38⅞
BCED	0.37	0.36
Bk Nova Scotia	13⅜	13⅝
BC Gas	14⅛	14⅛
BC Phone	18⅛	18⅝
BP Canada	N.Q.	N.Q.
Bramalea	12⅜	12⅜
Brunswick	N.Q.	—
CAE	6⅜	6½
Campeau	1.60	1.45
CIBC	26⅜	26¼
Canadian Pacific	20⅝	20⅝
Can Packers	12	12⅝
Can Tire A	20⅛	20½
Cantor	27⅜	27⅝
Cara	17	16⅝
CCL Ind B	9⅜	9
Cineplex	6	5⅞
Cominco	25⅞	25⅝
Conwest Expl A	N.Q.	—
Corona A	6.80	7
Denison Min B	1.30	1¼
Dickenson Min A	4.30	N.Q.
Dofasco	22⅞	23
Dylex A	3.95	3.95
Echo Bay Mines	14½	14⅝
Equity Silver A	1.65	1.55
FCA Intl	N.Q.	—
Fed Ind A	N.Q.	13⅛
Fletcher Chall A	15⅞	15¾
FPI	5	5⅝
GoldCorp	4¼	4.45
Gulf Cda Res	15½	15⅝
Hees Int'l	24½	24⅝
Hemlo Gld Mines	12⅛	12⅝
Hollinger	13	12⅞
Horsham	10⅛	10⅛
Hudson Bay	N.Q.	—
Imasco	36½	35⅝
Inco	31⅞	31⅞
Interhome	48⅛	N.Q.
Jannock	16	15⅞
Labatt	21⅛	21⅛
Loblaw Co	16⅛	16⅛
Mackenzie	9⅝	7⅛
Magna Intl A	3.65	3.65
Maritime	16⅞	16⅛
Mark Res	N.Q.	11⅛
MacLean Hunt X	N.Q.	9⅛
Molson A	39⅝	39
Noma Ind A	8⅝	8⅝
Noranda	20	20
Noranda Forest	11⅝	11
Norcen Energy	24⅛	N.Q.
Nova Corp	8⅝	8⅝
Oshawa	31	30⅛
Pagurin A	7⅛	7⅛
Placer Dome	17⅜	17½
Poco Petroleum	8⅝	6⅝
PWA Corp	9⅜	9⅝
Quebec Sturgeon	0.85	0.85
Rayrock	N.Q.	8
Renaissance	14	13⅞
Rogers B	8	8
Rothmans	N.Q.	—
Royal Bank Can	22⅜	22¼
Royal TrustCo	14⅞	14⅝
Sceptre Res	3.60	3.60
Scott's Hosp	N.Q.	—
Seagram	97	96⅞
Sears Can	11⅜	11½
Shell Can	38	38⅜
Sherritt Gordon	N.Q.	—
SHL Systemhse	8¼	8¼
Southam	N.Q.	25⅛
Spar Aerospace	8½	8½
Stelco A	16⅛	16¼
Teck B	23⅛	22
Thomson News	15½	15½
Toronto Domn	17¼	17¼
Torstar B	27½	27⅛
TransAlta Util	12⅛	12¼
TransCda Pipe	16¼	16⅛
Trilon Finl A	17⅜	17½
Trimac	6⅛	6⅞
Trizec A	18⅛	N.Q.
Turbo Resources	0.43	N.Q.
Unicorp A	N.Q.	2.15
Woodward's Ltd	1.35	1.35

TSE 300 Index: 3585.00
Previous: 3478.39

Zurich

	Close	Prev.
Adia Intl	1500	1525
Alusuisse	1465	1450
Bank Leu	2500	2430
Brown Boveri	5975	5925
Ciba Geigy	3380	3380
CS Holdings	2470	2470
Elektrow	3530	3530
Fischer	2230	2210
Interdiscount	4420	4310
Jacobs Suchard	8300	8300
Jelmoli	2300	2280
Landis Gyr	1465	1465
Moevenpick	5750	5750
Nestle	8875	8925
Oerlikon-B	1010	1000
Pargesa Hld	1490	1480
Roche Holding B	4230	4245
Sandoz	2220	2200
Schindler	N.A.	—
Sulzer	760	760
Surveillance	5700	5725
Swissair	975	980
SBC	312	312
Swiss Reinsur	616	628
Swiss Volksbank	1640	1625
Union Bank	3550	3550
Winterthur	4220	4200
Zurich Ins	2120	2110

SBS Index: 675.90
Previous: 674.80

U.S. FUTURES

Via Associated Press June 26

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.85	3.26	Jul	3.32¼	3.35	3.32¼	3.34	+.00½
3.73	3.31½	Sep	3.37	3.38¾	3.36¼	3.37¾	+.01
3.80	3.45½	Dec	3.50½	3.52¾	3.50	3.52	+.01
3.85	3.51	Mar	3.55½	3.58½	3.55½	3.58¼	+.02
3.73	3.45	May	3.50¼	3.54½	3.50	3.53½	+.03½
3.63	3.30	Jul				3.47	+.02
Est. Sales		Prev. Sales 12,596					
Prev. Day Open Int. 65,278 off 329							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.93¾	2.31	Jul	2.85	2.86½	2.84½	2.85¾	—.01¼
2.91	2.29	Sep	2.82	2.84¼	2.82¾	2.83¾	—.01
2.87¼	2.22	Dec	2.82	2.83¼	2.81	2.82	—.01¼
2.92¼	2.41	Mar	2.89½	2.90½	2.88¼	2.90	—.01
2.96	2.49¾	May	2.93½	2.95½	2.92¾	2.95¼	—.00½
2.98	2.63	Jul	2.95	2.97¾	2.95	2.97¾	+.00¼
2.83¼	2.65	Sep	2.81½	2.82	2.80	2.81½	—.00½
2.75	2.59	Dec	2.68½	2.68½	2.65¼	2.68	
Est. Sales		Prev. Sales 77,346					
Prev. Day Open Int. 243,247 up 138							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.31	5.78	Jul	6.09	6.11	6.05½	6.08	—.04¾
7.05	5.78	Aug	6.16	6.18	6.13½	6.14½	—.04½
6.76	5.68	Sep	6.23	6.25	6.20	6.21¼	—.04½
6.82	5.64½	Nov	6.33	6.34¼	6.29	6.31¼	—.04¼
6.91	5.87	Jan	6.41	6.45	6.41	6.42¾	—.04¼
7.01	5.65½	Mar	6.53½	6.52	6.52	6.53	—.05¼
7.06	6.14½	May	6.63	6.64½	6.61½	6.63½	—.05
7.11	6.39	Jul	6.68	6.72½	6.68	6.68½	—.05½
6.59	6.51	Aug				6.68	—.07
6.55	6.30	Nov	6.54	6.57	6.53	6.55	
Est. Sales		Prev. Sales 81,592					
Prev. Day Open Int. 115,055 off 321							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
208.00	167.80	Jul	176.10	177.20	175.60	176.90	+.10
198.00	170.10	Aug	177.40	179.00	177.00	178.70	+.30
208.00	171.50	Sep	179.50	181.20	179.00	180.50	+.40
200.00	173.80	Oct	181.50	183.00	181.50	182.50	+.20
205.50	174.00	Dec	184.30	187.00	185.20	186.20	+.20
204.00	178.00	Jan	187.10	188.20	186.80	187.50	+.20
212.00	181.80	Mar	189.50	191.50	189.20	190.60	+.60
208.00	184.50	May	193.00	193.00	191.50	191.50	+.80
209.00	186.00	Jul	195.00	195.00	193.10	193.10	+.10
Est. Sales		Prev. Sales 26,277					
Prev. Day Open Int. 78,738 up 714							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.80	19.50	Jul	24.30	24.30	24.00	24.06	—.30
25.15	19.50	Aug	24.10	24.10	23.86	23.94	—.22
24.80	19.50	Sep	23.92	23.99	23.80	23.81	—.20
24.35	19.65	Oct	23.80	23.92	23.62	23.65	—.20
24.12	19.75	Dec	23.65	23.72	23.43	23.52	—.19
23.95	19.82	Jan	23.35	23.35	23.35	23.35	—.20
23.81	19.82	Mar	23.20	23.20	23.20	23.20	—.10
23.70	20.15	May	23.20	23.20	23.15	23.15	+.05
23.70	21.05	Jul	23.08	23.05	22.95	22.95	+.05
		Aug				22.92	+.02
Est. Sales		Prev. Sales 24,485					
Prev. Day Open Int. 104,057 up 372							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
74.92	69.12	Aug	73.05	73.42	72.90	73.00	—.10
76.85	68.30	Oct	74.87	75.20	74.87	75.05	+.18
74.60	71.00	Dec	74.80	75.02	74.55	74.72	—.03
76.15	72.50	Feb	74.60	74.85	74.40	74.40	—.20
77.00	74.15	Apr	75.80	75.80	75.50	75.50	—.07
74.60	72.70	Jun	72.90	72.98	72.62	72.62	—.10
Est. Sales 10,201		Prev. Sales 12,034					
Prev. Day Open Int. 69,311 off 1,517							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
85.97	78.50	Aug	84.45	84.72	84.30	84.55	+.08
84.95	78.00	Sep	83.50	83.60	83.39	83.45	—.05
84.35	78.20	Oct	83.05	83.15	83.00	83.07	+.02
84.40	79.00	Nov	83.15	83.35	83.15	83.20	+.05
84.85	79.75	Jan	83.00	83.12	82.80	83.20	
82.75	80.90	Mar	82.10	82.10	82.07	82.10	—.03
82.50	81.35	Apr	81.97	81.97	81.97	81.97	
82.40	81.70	May				81.80	
Est. Sales 749		Prev. Sales 821					
Prev. Day Open Int. 10,819 off 192							
HOGS (CME) 30,000 lbs.- cents per lb.							
63.42	43.70	Aug	58.80	58.85	58.05	58.62	+.07
55.70	40.80	Oct	52.50	52.65	52.00	52.55	+.40
55.45	44.25	Dec	51.57	51.70	51.25	51.65	+.43
52.95	45.25	Feb	49.05	49.15	48.70	49.07	+.37
48.80	45.15	Apr	45.95	46.20	45.95	46.00	+.30
51.85	48.80	Jun	47.50	49.55	49.25	49.25	+.15
59.97	59.20	Jul	60.25	60.60	59.80	60.45	+.58
Est. Sales 9,847		Prev. Sales 7,799					
Prev. Day Open Int. 38,277 off 1,087							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
71.60	39.95	Jul	56.70	58.67	56.20	57.15	—.25
69.15	39.30	Aug	55.50	57.47	55.00	56.35	+.48
63.65	48.07	Feb	56.35	56.35	54.75	55.22	+.37
62.95	50.30	Mar	54.10	56.10	54.50	54.92	+.30
63.00	54.60	May	55.95	55.95	55.10	55.30	—.65
Est. Sales 8,523		Prev. Sales 3,313					
Prev. Day Open Int. 13,210 up 163							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
132.25	74.85	Jul	85.25	85.25	84.00	84.80	—.95
120.00	77.25	Sep	88.25	88.25	86.15	87.55	—.95
109.50	81.00	Dec	91.00	91.80	88.75	90.70	—.80
116.75	83.00	Mar	94.00	94.00	92.50	93.25	—1.25
123.00	91.25	May	95.00	95.25	94.95	95.25	—1.15
110.00	92.75	Jul	97.50	97.50	97.00	97.15	—1.10
108.90	100.50	Sep	99.00	99.00	99.80	99.15	—1.10
Est. Sales 6,471		Prev. Sales 2,494					
Prev. Day Open Int. 38,505 off 424							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
16.27	10.55	Jul	12.50	12.58	12.25	12.38	—.14
16.13	10.40	Oct	12.38	12.48	12.28	12.27	—.16
15.22	11.65	Mar	12.02	12.09	11.94	11.95	—.13
15.05	11.65	May	12.03	12.05	11.91	11.91	—.15
14.90	11.56	Jul	11.99	12.00	11.99	11.85	—.19
14.40	.72	Oct				11.85	—.09
Est. Sales 15,553		Prev. Sales 15,185					
Prev. Day Open Int. 157,300 off 2,290							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1525	921	Jul	1195	1226	1190	1226	+46
1541	941	Sep	1210	1249	1210	1244	+45
1550	965	Dec	1245	1279	1245	1277	+43
1581	985	Mar	1281	1310	1281	1309	+46
1572	1009	May				1328	+48
1570	1040	Jul				1348	+44
1515	1303	Sep	1355	1355	1355	1369	+44
Est. Sales 4,454		Prev. Sales 5,444					
Prev. Day Open Int. 49,426 up 737							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
205.50	123.00	Jul	183.25	184.40	181.50	183.00	—.80
202.00	123.50	Sep	171.40	171.50	162.75	168.50	—3.60
199.50	124.00	Nov	166.20	166.20	163.25	163.10	—4.00
171.00	125.00	Jan	161.90	161.90	160.00	160.10	—4.60
190.50	160.00	Mar	161.00	161.80	160.50	160.10	—4.60
190.00	158.80	May				159.60	—4.60
188.00	188.80	Jul				159.60	—4.60
Est. Sales		Prev. Sales 1,853					
Prev. Day Open Int. 10,643 off 38							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.- cents per lb.							
123.00	95.20	Jun	109.80	109.80	107.80	108.55	—.95
119.25	93.25	Jul	108.00	108.50	107.10	108.35	—.90
113.50	95.00	Aug	106.50	107.70	106.50	106.55	—.90
113.30	92.50	Sep	105.50	106.50	105.25	104.85	—.85
109.50	94.50	Oct				105.75	—.86
107.70	94.50	Nov	104.00	104.20	104.00	104.75	—.80
110.00	91.50	Dec	103.00	103.50	102.40	103.60	—.80
105.00	94.00	Jan				102.45	—.80
103.00	99.50	Feb				101.20	—.80
106.80	92.30	Mar	99.60	99.90	99.20	100.10	—.80
101.00	99.85	Apr				99.60	—
103.40	97.00	May	97.80	99.50	97.70	98.70	—
99.70	96.75	Jul	97.00	98.00	96.50	97.45	—
97.75	97.05	Sep	96.00	96.80	95.50	96.55	—
96.50	96.85	Dec	94.50	95.00	94.50	95.35	—
		Jan				94.35	—
96.50	96.50	Mar				93.55	—
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
75.00	75.00	Jun				71.00	—1.00
95.50	66.00	Jul				71.00	—1.00
75.00	75.00	Aug				71.00	—1.00
76.00	74.50	Sep				71.50	—1.00
75.00	75.00	Dec				71.50	—1.00
75.00	75.00	Jan				71.50	—1.00
75.00	75.00	Mar				71.50	—1.00
75.00	75.00	May				71.50	—1.00
75.00	75.00	Jul				71.50	—1.00
		Sep				71.50	—1.00
75.00	75.00	Dec				71.50	—1.00
75.00	75.00	Jan				71.50	—1.00
75.00	75.00	Mar				71.50	—1.00
Est. Sales		Prev. Sales 6					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
524.0	474.0	Jun				482.0	+.4
761.5	476.2	Jul	483.0	483.0	473.5	482.5	+.3
511.0	511.0	Aug				486.4	+.3
760.0	484.5	Sep	488.6	491.5	481.0	490.5	+.3
742.0	494.5	Dec	500.0	503.0	492.0	501.5	+.1
688.0	499.0	Jan	499.0	499.0	499.0	504.7	
665.0	506.0	Mar	510.0	510.0	503.5	512.0	—.1
647.0	514.0	May				519.3	—.1
667.5	522.0	Jul	524.0	524.0	524.0	526.7	—.1
654.0	530.0	Sep				534.6	—.1
623.5	540.0	Dec	544.0	544.0	544.0	546.0	—.1
596.0	550.0	Jan	546.0	546.0	546.0	549.4	—.1
613.0	565.0	Mar				558.1	—.1
Est. Sales 30,000		Prev. Sales 14,701					
Prev. Day Open Int. 106,869 up 163							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
556.00	465.00	Jul	478.00	480.50	476.60	480.00	—1.90
560.50	473.00	Oct	484.00	485.80	482.50	485.70	—1.90
551.00	484.00	Jan	489.50	491.50	489.20	491.40	—2.00
554.50	488.20	Apr				496.50	—2.10
528.50	495.00	Jul	500.00	500.00	500.00	501.90	—2.20
Est. Sales		Prev. Sales 3,769					
Prev. Day Open Int. 14,010 up 27							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
175.00	112.40	Jun				111.25	—1.55
149.50	113.25	Sep	113.50	113.50	111.45	113.15	—1.55
147.00	114.75	Dec	115.00	115.00	113.00	114.45	—1.55
142.00	116.50	Mar				115.75	—1.55
125.25	118.25	Jun	117.50	117.50	117.50	117.45	—1.55
Est. Sales		Prev. Sales 81					
Prev. Day Open Int. 5,322 off 16							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
497.00	346.00	Jun	351.00	351.00	349.60	350.40	—3.40
379.50	356.00	Jul				350.60	—3.50
487.00	348.20	Aug	354.00	354.20	351.70	352.90	—3.30
472.00	352.50	Oct	358.00	358.40	356.20	357.30	—3.30
455.50	357.00	Dec	363.00	363.10	360.70	361.70	—3.30
457.50	362.00	Feb	365.70	366.00	365.70	366.20	—3.30
460.00	366.20	Apr	370.30	370.30	370.30	370.60	—3.30
466.20	372.00	Jun				375.20	—3.30
468.00	375.00	Aug				379.70	—3.30
476.00	385.00	Oct				384.30	—3.30
482.00	385.50	Dec				389.00	—3.40
433.00	392.00	Feb	393.50	394.00	393.50	393.90	—3.40
412.50	396.50	Apr				398.60	—3.40
Est. Sales 25,000		Prev. Sales 12,411					
Prev. Day Open Int. 115,258 off 1,364							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.65	91.70	Jun	92.21	92.22	92.19	92.20	—.01
93.65	91.28	Sep	92.37	92.43	92.35	92.40	+.02
93.32	91.61	Dec	92.39	92.47	92.38	92.44	+.03
93.20	91.66	Mar	92.41	92.41	92.41	92.46	+.02
92.70	91.52	Jun	92.28	92.28	92.28	92.28	—.02
92.36	91.60	Sep	92.45	92.45	92.45	92.45	—.03
Est. Sales		Prev. Sales 4,555					
Prev. Day Open Int. 18,573 off 489							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-14	92-24	Sep	95-27	96-16	95-27	96-4	+9
97	94-9	Dec	95-25	96-13	95-25	96-1	+9
96-23	94-20	Mar				95-30	+9
Est. Sales		Prev. Sales 12,713					
Prev. Day Open Int. 74,320 off 725							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-4	79-1	Sep	92-20	93-22	92-22	93-5	+12
99-24	80	Dec	92-16	93-10	92-16	92-28	+12
99-12	79-21	Mar	92-9	92-9	92-8	92-21	+12
99-4	82-18	Jun	92-12	92-14	92-12	92-14	+12
99-5	86-4	Sep	92-13	92-13	92-5	92-8	+12
98-20	87-19	Dec	91-23	91-23	91-23	92-2	+12
98-13	87-18	Mar	92	92-2	91-26	91-28	+11
97-19	87-19	Jun				91-22	+11
97-12	87-14	Sep				91-18	+11
Est. Sales		Prev. Sales 180,092					
Prev. Day Open Int. 260,639 up 1,249							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
93-11	84-21	Sep	90-1	90-18	89-27	90-8	+8
91-2	86-30	Dec	89-28	89-28	89-20	89-23	+8
Est. Sales		Prev. Sales 1,248					
Prev. Day Open Int. 5,887 off 104							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.39	88.74	Sep	91.68	91.76	91.66	91.70	+.01
92.15	89.85	Dec	91.60	91.70	91.60	91.64	+.02
92.11	89.94	Mar	91.55	91.64	91.53	91.58	+.02
91.93	89.91	Jun	91.37	91.44	91.35	91.40	+.02
91.85	90.18	Sep	91.23	91.30	91.21	91.26	+.02
91.83	90.03	Dec	91.08	91.15	91.06	91.11	+.02
91.78	90.09	Mar	91.04	91.10	91.01	91.06	+.02
91.82	90.25	Jun	90.94	91.01	90.91	90.96	+.02
91.76	90.22	Sep	90.86	90.93	90.85	90.89	+.02
91.72	90.24	Dec	90.73	90.80	90.71	90.76	+.02
91.53	90.28	Mar	90.70	90.76	90.68	90.72	+.02
91.45	90.27	Jun	90.61	90.67	90.60	90.65	+.02
91.51	90.27	Sep	90.56	90.61	90.54	90.58	+.02
91.47	90.22	Dec	90.50	90.55	90.48	90.52	+.02
91.37	90.24	Mar	90.53	90.55	90.48	90.52	+.02
90.77	90.46	Jun	90.46	90.51	90.44	90.48	+.02
Est. Sales		Prev. Sales 62,026					
Prev. Day Open Int. 622,969 off 1,753							

Currencies

Season High	Season Low		Open	High	Low	Close	Chg.
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.7720	1.5290	Sep	1.7078	1.7164	1.7058	1.7154	+112
1.7700	1.5550	Dec	1.6822	1.6912	1.6820	1.6906	+112
1.6850	1.5640	Mar	1.6610	1.6610	1.6610	1.6696	+112
Est. Sales		Prev. Sales 5,954					
Prev. Day Open Int. 33,516							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8470	.8093	Sep	.8420	.8438	.8414	.8433	+39
.8420	.8050	Dec	.8324	.8342	.8320	.8334	+41
.8365	.7990	Mar	.8249	.8263	.8249	.8258	+43
.8399	.7995	Jun	.8185	.8185	.8174	.8186	+45
.8150	.7985	Sep				.8121	+47
Est. Sales		Prev. Sales 8,895					
Prev. Day Open Int. 28,996 up 492							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6155	.5525	Sep	.5958	.6014	.5946	.6012	+55
.6150	.5769	Dec	.5953	.6009	.5948	.6010	+57
.6140	.5830	Mar				.6006	+59
Est. Sales		Prev. Sales 24,798					
Prev. Day Open Int. 50,303 up 3,347							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007390	.006268	Sep	.006468	.006480	.006453	.006477	+33
.007080	.006290	Dec	.006470	.006492	.006469	.006489	+34
.006705	.006315	Mar	.006486	.006486	.006486	.006503	+34
Est. Sales		Prev. Sales 17,667					
Prev. Day Open Int. 48,952 up 2,732							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7202	.6050	Sep	.7073	.7146	.7049	.7144	+73
.7197	.5600	Dec	.7067	.7147	.7049	.7143	+74
.7165	.6500	Mar	.7085	.7085	.7070	.7149	+74
.6970	.6916	Sep	.7085	.7085	.7085	.7168	+75
Est. Sales		Prev. Sales 23,590					
Prev. Day Open Int. 34,822 up 1,154							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
207.70	177.50	Jul	202.50	205.70	203.50	204.40	—1.00
207.10	192.00	Sep	205.50	206.10	203.80	204.70	—.70
203.10	189.50	Nov	201.90	201.90	200.50	201.70	—.60
205.50	186.30	Jan	205.30	205.70	204.00	205.00	
204.10	191.00	Mar	204.60	204.60	204.60	204.60	—.20
206.40	196.50	May				204.10	
Est. Sales 737		Prev. Sales 418					
Prev. Day Open Int. 4,431 up 77							
HEATING OIL (NYME) 42,000 gal- cents per gal							
57.28	46.30	Jul	48.75	48.80	48.41	48.50	—.42
57.40	47.20	Aug	49.00	49.10	48.80	48.80	—.59
58.00	48.00	Sep	50.20	50.25	50.15	50.20	—.40
58.50	50.30	Oct	51.40	51.60	51.40	51.40	—.40
59.40	51.15	Nov	52.65	52.85	52.60	52.65	—.32
60.15	52.70	Dec	53.80	53.90	53.60	53.60	—.42
60.40	53.25	Jan	54.25	54.30	54.00	54.00	—.42
60.00	53.00	Feb	53.80	53.95	53.65	53.70	—.37
56.73	51.30	Mar	52.30	52.35	52.30	52.35	+.03
53.90	50.00	Apr	50.70	50.70	50.70	50.70	—.02
51.80	48.80	Jun	48.95	48.95	48.95	48.95	—.27
Est. Sales 17,233		Prev. Sales 25,171					
Prev. Day Open Int. 115,251 off 1,775							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
21.63	16.39	Aug	17.30	17.37	17.12	17.16	—.22
21.52	16.50	Sep	17.83	18.00	17.78	17.80	—.15
21.46	16.50	Oct	18.25	18.42	18.22	18.34	—.08
21.48	17.30	Nov	18.54	18.70	18.50	18.67	
21.50	17.80	Dec	18.82	18.95	18.82	18.85	—.07
21.48	17.87	Jan	19.05	19.05	19.00	19.05	—.04
21.35	18.15	Feb	19.10	19.17	19.07	19.07	—.13
21.43	18.40	Mar	19.35	19.35	19.22	19.30	
21.55	18.03	Apr	19.30	19.30	19.30	19.38	
21.45	18.03	May	19.43	19.43	19.43	19.45	—.01
21.45	16.65	Jun	19.55	19.55	19.55	19.55	+.02
Est. Sales 54,834		Prev. Sales 66,533					
Prev. Day Open Int. 273,466 up 553							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
374.90	329.00	Sep	359.40	360.85	355.50	355.95	—1.65
378.90	333.50	Dec	363.90	365.35	360.00	360.50	—1.70
382.20	343.20	Mar	363.95	363.95	363.95	364.45	—1.75
Est. Sales		Prev. Sales 42,159					
Prev. Day Open Int. 104,619 up 2,553							
VALUE LINE (KCBT) points and cents							
297.90	272.00	Sep	285.30	286.20	283.40	284.20	+.20
303.80	280.00	Mar				292.30	—.05
Est. Sales		Prev. Sales 86					
Prev. Day Open Int. 1,245 up 6							
NYSE COMP. INDEX (NYFE) points and cents							
209.00	181.00	Sep	196.20	196.90	194.15	194.55	—.60
206.50	185.75	Dec	198.35	198.90	196.80	196.90	—.65
206.00	193.15	Mar				199.25	—.65
		Jun				201.60	—.65
Est. Sales		Prev. Sales 6,590					
Prev. Day Open Int. 4,363 off 85							

Commodity Indexes

	Close	Previous
Moody's	1,139.30 f	1,134.30 f
Reuters	1,833.00	1,829.80
D.J. Futures	130.97	131.29
Com. Research	234.45	234.57

Moody's: base 100: Dec. 31, 1931.
p - preliminary; f - final
Reuters: base 100: Sep. 18, 1931.
Dow Jones: base 100: Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

INTERNATIONAL STOCK MARKETS
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Maxwell Profit Slumps 10%

Compiled by Our Staff From Dispatches

LONDON — Maxwell Communication Corp., the British publishing and investment group, reported Tuesday that pretax net profit fell by 10.2 percent to £172.3 million ($298 million) for the year ended March 31, disappointing the stock market.

Maxwell shares slumped six pence to 193 pence on the London Stock Exchange after the figures were announced.

Analysts said they were surprised at Maxwell's £2.1 billion in debt, substantially higher than market estimates of £1.7 billion, and at the level of earnings.

The figures for the year were not comparable with the previous period, which was 15 months long because the company switched from operating on a calendar year to a fiscal year.

On an annualized basis, the company said profit was up 12 percent from a year earlier, helped by a surge in earnings and sales from the company's main divisions. The company had pretax profit of £192 million in the previous, 15-month period.

Robert Maxwell, chairman and chief executive of Maxwell Communications, said the results were "highly satisfactory" for the year, which saw the company complete its move out of printing and into international publishing.

Mr. Maxwell said that borrowings had peaked at £2.7 billion in September 1989. He was pleased to report they had fallen to £2.1 billion and that they will continue to fall.

The company said its net interest payable jumped to £108.1 million from £17 million. It plans to reduce its debt-to-equity ratio by further sales of noncore businesses.

Maxwell said it had sold its United States and British commercial printing operations and British newspaper contract printing operations for a total of $1.4 billion. It bought U.S. publisher Macmillan Inc. for $2.6 billion and Official Airline Guides for $750 million during the year.

Mr. Maxwell said the group now expected to derive some 80 percent of its sales and operating profits from North America.

Sales were £1.24 billion pounds for the latest year, and £1.39 billion for the previous 15 months.

Operating profit, fattened by the string of U.S. acquisitions, totaled £261.2 million pounds, beating the £209 million pounds reported for the previous 15-month period.

On a divisional basis, information services and electronic publishing was the biggest contributor to operating profit, rising 135 percent to £77.6 million. Language tuition showed the strongest growth, rising nine-fold to £15.9 million.

Analysts said the operating profits were lower than expected. "Earnings on continuing businesses were disappointing," said Derek Terrington, analyst at brokers UBS/Phillips and Drew.

(Reuters, AP)

Dresdner To Open 72 East Offices

Reuters

FRANKFURT — Dresdner Bank AG said Tuesday it had set up a joint venture with the commercial banking arm of East Germany's former central bank which would take over 72 bank branches in East Germany.

The joint venture between Dresdner Bank and Deutsche Kreditbank AG, to be named Dresdner Bank Kreditbank AG, would have outlets throughout East Germany.

"The newly established bank will now definitively take over 72 branches of Deutsche Kreditbank and will thus be represented in the whole of East Germany," a Dresdner Bank statement said.

The East German central bank, the State Bank, spun off its commercial banking activities on March 19 and Deutsche Kreditbank opened its doors for business at the start of April.

Both Dresdner Bank and Deutsche Bank AG have signaled their intention of buying into Deutsche Kreditbank. Deutsche plans to take over about 120 branches. The third largest West German commercial bank, Commerzbank AG, plans to open its own branches.

Dresdner said on Tuesday it would also set up 35 branches of its own initially. Dresdner Bank Kreditbank would begin its operations on July 1.

Dresdner said that it would have more than 150 offices in East Germany by the end of 1991.

Dresdner would own 49 percent of the joint venture's capital, with Deutsche Kredit Bank holding 47 percent. The remaining 4 percent would be held by three East German companies, including optical equipment maker VEB Carl Zeiss Jena.

In the battle to gain new custom, both Dresdner Bank and Commerzbank have said they will offer East German clients charge-free accounts for a limited period.

Price Set in Joint Bid For German Insurer

Reuters

COLOGNE - The West German insurer Colonia Versicherung AG confirmed Tuesday that it and four other West German insurers had made a counter bid for a stake in a joint venture involving East German insurer Staatliche Versicherung der DDR.

The offer for a 51 percent stake in Deutsche Versicherungs AG was at cost of some 270 million Deutsche marks ($160.9 million) and was made to the East German government on Tuesday, Colonia said. This prices the whole company at 529.4 DM.

West German insurance giant Allianz AG Holding launched a bid for a 49 percent stake in Staatliche in March.

The four West German insurers, who have joined Colonia are Gothaer Gruppe, Colonia's subsidiary Nordstern Allgemeine Versicherung AG, R&V Allgemeine Versicherung AG, and Wuerttembergische Feuerversicheriung AG.

Colonia is controlled by French Compagnie Financière de Suez.

The five said they were aiming to divide East Germany up into regions in which individual members of the group would operate, Colonia said.

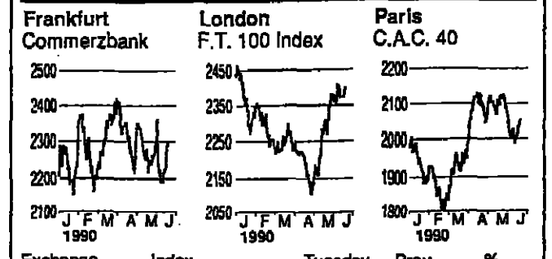
On May 22 the Colonia-led group wrote to the East German prime minister, Lothar de Maizière, requesting talks about the East German insurance market.

Insurance analysts have said the key advantage of a stake in Staatliche would be its network of agents who handle insurance for 16 million East German citizens.

They said the initial cost of wages, housing, and staff training would outweigh the benefits of a stake in Staatliche in the near term, but the long term prospects for the East German venture were bright.

Colonia also announced Tuesday that it was issuing 15 million DM worth of new shares in mid-July priced at 590 DM each.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	*CBS Trend*	*121.50*	*121.00*	*+0.41*
Brussels	Stock Index	6250.27	6255.71	-0.09
Frankfurt	Commerzbank	2302.30	2294.80	+0.33
Frankfurt	DAX	1890.36	1895.95	-0.29
Helsinki	UNITAS	556.30	564.70	-1.49
London	Financial Times 30	1926.60	1929.40	-0.15
London	FT-SE 100	2399.80	2398.50	+0.05
Madrid	General Index	292.30	290.76	+0.53
Milan	MIB	1091.30	1088.80	+0.23
Paris	CAC 40	2053.40	2040.08	+0.65
Stockholm	*Affaersvaerlden*	*1265.00*	*1293.20*	*-2.18*
Zurich	SBS	675.90	676.00	-0.01

Sources: AFP International Herald Tribune

Toblerone Takeover's Bitter Taste

The Associated Press

GENEVA — The American invasion of Switzerland's chocolate industry has left a bitter taste in the mouths of some Swiss. The country pioneered the confection and is statistically its biggest consumer.

Comments have been ranging from sadness to indignation in the wake of Philip Morris Cos.'s announced $3.8 billion acquisition of Jacobs Suchard AG, makers of the two top Swiss brand names, Toblerone and Milka.

Throughout this century, Toblerone, with its trademark triangular shape, and violet-wrapped Milka have been symbols of the Swiss chocolate industry.

"It is almost as if a Swiss entrepreneur would buy Ford," the weekly Zurich Sonntagszeitung editorialized after Philip Morris, the world's biggest consumer products conglomerate, announced it would buy the world's third-biggest chocolate and coffee group.

"Milka cow is grazing on Marlboro Ranch," headlined the Basler Zeitung, in reference to one of Philip Morris's cigarette brands. And at Toblerone's hometown of Bern, the Bund newspaper predicted "popular indignation at the loss of this 'piece of Switzerland' will be great."

"Although Toblerone and Milka continue to be made in Switzerland, they will be part of an anonymous conglomerate with control in the United States," it said.

Emotions are not cooled by the fact that Suchard's owner, Klaus Jacobs, is German. He was the first foreigner to move into the Swiss chocolate industry, which is one of the world's leading chocolate exporters. Sales last year totaled about 40,000 tons to more than 130 countries. Another 60,000 tons were consumed domestically.

The Swiss reputation in the field — chocolate rivals watches, cheese and bank secrecy as the country's chief image makers — dates to the early 19th century, when Francois-Louis Cailler and Philippe Suchard began industrial production of chocolate.

Another breakthrough came in the 1870s when Daniel Peter invented the milk chocolate bar and Rodolphe Lindt refined the product so that it melted on the tongue.

Dario Kuster, Director of Chocosuisse, the Union of Swiss Chocolate Manufacturers, said in an interview Monday that the Swiss also were the first to push exports.

"At the turn of the century, they had an enormous lead," he said. "Up to 70 percent of the Swiss production was sold abroad while foreign manufacturers focused on their domestic markets."

"An early awareness of what we now call marketing was a second important factor," Mr. Kuster said.

Toblerone became a pacesetter in 1908. It registered with the Federal Intellectual Property Office and remains the only Swiss chocolate that is patented.

"It has become a special hit," Mr. Kuster said. "Perhaps because the shape brings to mind the Matterhorn, or perhaps a whole range of untouched mountains."

Swiss chocolate seems a must buy of even the most diet-conscious tourists visiting Switzerland. They often claim that chocolate made in Switzerland tastes better than the same brand made by a subsidiary abroad.

"There is a good part of imagination involved," said Mr. Kuster. "But it's true that the mix of cocoa beans, the choice of milk, and of course the Swiss pride in quality are also factors."

MATIF to Launch Ecu Bond Futures Contract

Reuters

LONDON — MATIF, the French futures and options exchange, will launch a bond futures contract based on the European currency unit on Oct. 18, Gerard Pfauwadel, chairman of the exchange, said Tuesday.

Posing a direct challenge to the London International Financial Futures Exchange, Mr. Pfauwadel said there is only demand enough for one long-term Ecu contract within the European time zone and that the MATIF wants to have it.

"We are more ready than LIFFE to launch a long-term contract," Mr. Pfauwadel told a futures and options conference here. "MATIF has to have a stake in this product," he said.

LIFFE had beaten MATIF to the punch with its short-term Ecu interest rate futures contract, which it launched last October.

Mr. Pfauwadel said the launch of the new contract will not be easy because the underlying market for long-term Ecu bonds is not large, but that MATIF sees the contract as a product for the future.

The new contract will initially be based on two existing large French government bonds, worth around 3 billion Ecu ($3.69 billion) but this underlying market could be expanded later by further bond issues by other sovereign and supranational issuers, Mr. Pfauwadel said.

Mr. Pfauwadel said he hoped that the advent of this Ecu futures contract will encourage other nations to issue more Ecu bonds. He noted that the French Treasury has said it it intends to raise 10 percent of its global financing needs through Ecu bond issues.

The nominal value of the new contract will be 100,000 Ecus and it will carry a notional interest rate of 10 percent. December and March delivery contracts will be offered at the launch and then expanded to include June and September months.

Mr. Pfauwadel said French Ecu bonds will initially be the only deliverable bonds as these will be the cheapest to deliver against futures, but he did not rule out Italian Ecu issues and other sovereign bonds being used later.

Bonds issued by supranational bodies such as the European Investment Bank or the new European Bank of Reconstruction and Development could also be included.

Last week, the brokerage UBS/Phillips & Drew announced the launch of an over-the-counter ECU bond contract based on a wider range of bonds — including French, Italian and supranational Ecu bonds.

Mr. Pfauwadel said he viewed the UBS product more as mutual reinforcement than competition and said it will help prepare the market for the MATIF launch in October.

He said that the product range on MATIF is not sufficiently large and that MATIF needs new contracts. "Our diversification is not great enough," he said.

Mr. Pfauwadel said MATIF has negotiated the exclusive right to trade its Ecu contracts on GLOBEX, the automated after-hours dealing system developed by the Chicago Mercantile Exchange and Reuters Holdings PLC.

CARTEL: *Bonn Office Checks Bids for East Energy*

(Continued from first finance page)

more than 100 billion marks, if not several hundred billion marks, to restructure East Germany's inefficient and polluting power plants up to western standards.

East Germany has also started to close down some of its dangerous nuclear power stations and lignite power plants.

Brown coal, which causes heavy pollution, has provided about 85 percent of the country's total electricity, creating an environmental disaster.

"Other companies may join the consortium to modernize the East German energy industry," another analyst said.

"But they can't avoid the West German giants, especially RWE, as it has the latest technology for producing clean energy from lignite," the analyst said.

Analysts say the stumbling block for an accord is whether and to what extent East Germany is prepared to take over risks and costs for cleaning up the country's environmental and economic mess.

PHONE: *Motorola Seeks Backing*

(Continued from first finance page)

spent $780 million on research and development alone.

While Motorola has an advantage in developing a satellite system for portable telephones because it is the world's largest and most technologically advanced producer, it could face competition. American Telephone & Telegraph Co. declined to discuss whether it had any plans to offer such service, but is known to have held some discussions with other companies.

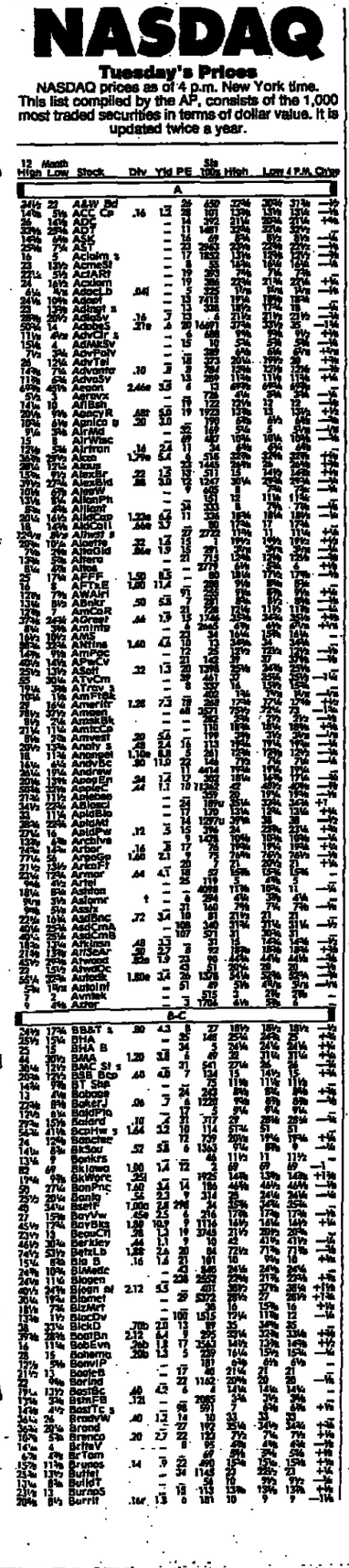
Motorola said it has filed patent applications in 55 countries to prevent other companies from developing similar systems.

(NYT, Reuters)

NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

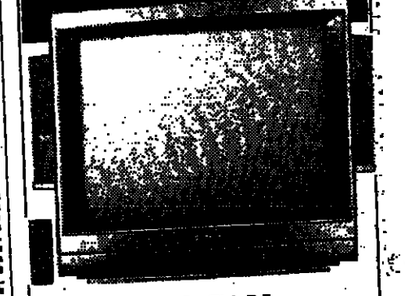


NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

WHO CAN PUT A CINEMA RIGHT IN YOUR LIVING ROOM?



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The name to remember in:
Power Systems and Equipment
Information and Communication Systems
Consumer Products Electronic Devices
Industrial Machinery and Plants

(Continued on next page)

NYSE Highs-Lows

NEW HIGHS 26

AlleyLud, BenetonGp, Endesa, KeysCon s, vjPSNH pf, vjPSNH 288p, TelcomUSA, ArrowE pf, Berlitz n, Foxboro, Kyocera, vjPSNH 321p, vjPSNH 325p, US Surg s, BarclaysADR s, BritSteel, GIISU dep pf, MiltonRoy, vjPSNH 425p, vjPSNH 345p, BassPubl n, BritishTel, HilhCrPr, PhilMor s, SterlSft pf

NEW LOWS 52

AlliGlbEn n, BallyMfg, CareerCem, CluettCo s, DualL1 21bpf, Pergnine, Guilford, Kellwood, Monsanto s, OverShip, Showboat, SunTrust, UDominds s, AmreInc, BathShpet, CaterpPlr, CityInvMo, DualL1 22ipr, FstChi pdl p, Hammonin, vjLTV Cp pfA, Navistr wtB, PraxTrAm, Sweat PSvc, TxPacLd, UniPark Mn, Anthony s, BondIntGld, ChaseMnh 185, DimeSvNY, DynaCp Am, FrancoGth, Herrmanx, vjLTV pfC, Navistr wtA, NoeastUtil, RalchTonp, Sovran, Transam Inc, UnivCorp, Armcoinc pf, CNA InvSnr, CrtecCh, Harris Ind, EqutRE, GtdDynam, HomeownsB, Lilton Ind, OtisCp, SaltaFePP, SouthtrCp, USFG Cp, WshGasRs n

AMEX Highs-Lows

NEW HIGHS 14

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AmCapCp pf, CentMfd, GuardnBc, KV Pharm, NVR LP, PeterJM, Semtech, Baldwin Sec, Endevco, HAL Inc, MC Shlp, NorthmstGld, RichInpInt, Thermwood, BambPhy, EsmRad El, Howell Ind, MalartcH g n, MedPrsd, Thermedics, RowanFurn, Veronex, BlamontI, GalaxyCbl, Intermark, OrtoleHme B, SciMedBt vtg, ViacmB n

The Daily Source for International Investors.

Herald Tribune

Plant Furor Sours Some Investors on Philippines

By Steve Glain
International Herald Tribune

A three-year effort to build a $370 million petrochemical plant near Manila, while ultimately expected to succeed, has soured what little optimism overseas investors may have had about the Philippines, analysts said.

The fate of the project, billed as the largest foreign investment since President Corazon C. Aquino took office in February 1986, will be decided next month. Three congressional committees will then issue their verdict on the multiple accusations that have mauled the project since it was initially approved by the government in January 1988.

Most of the accusations have been proved false but the media circus and political mudwrestling have seriously that delayed the project — at a cost of $5 million per month.

"We feel very uncomfortable with the situation here," said Richard Chong, vice president of Luzon Petrochemicals Corp. "But pulling out is a costly decision."

The project took shape in October 1987 when Luzon Petrochemical, which is sponsored by Taiwan-based USI Far East Inc., agreed to build a naptha cracker plant northwest of Manila in Bataan province. The plan was a blessing for the Philippine economy and the Aquino government, which remains sandwiched between a guerrilla insurgency and a restless military.

A naptha cracker produces propylene and ethylene and their resin derivatives, polypropylene and polyethylene, the basic raw material for plastics. Plastics manufacturers here rely on imported naptha, which carries a 20 percent duty charge. Although the cracker would offer the Philippines a local source of naptha, it also threatens to run importers — and a healthy smuggling trade — out of business.

In January 1988, the Philippines Board of Investment approved Luzon Petrochemical's factory proposal and financing package, which included an $85 million commitment from the World Bank's International Finance Corp. in direct and syndicated loans.

USI, which would control 60 percent of the plant, would raise another $15 million through a debt-for-equity swap. The remainder will be provided by overseas and local banks, according to the application signed by the Board of Investment.

Included in the package was a commitment from USI to offer a 10 percent equity stake in the project to Philippine National Oil Co., which is based in Bataan.

Shortly after its application was approved, Luzon Petrochemical announced it would move the site of the factory to Batangas province, about 110 kilometers (68 miles) south of Manila. The decision was made after a survey revealed Bataan to be a stronghold of guerrillas and labor leaders.

"That was a major mistake in this whole thing," said Mr. Chong. "But we just didn't want to work in a war zone."

Bataan officials immediately charged Luzon Petrochemical was reneging on its agreement. Congressman Enrique (Tet) Garcia filed suit with the Supreme Court, which argued that the decision was contrary to the government's economic strategy of giving investment priority to poorer regions. The suit was thrown out this January, only to be modified slightly and refiled.

Manny Estrella, president of Philippine National Oil, suddenly refused the 10 percent equity option and has since lobbied against the project before the three congressional panels that are reviewing the plan.

The intensity of the debate was notched higher in March with the emergence of Joker Arroyo, the former executive secretary for Mrs. Aquino and then chairman of the Philippine National Bank. In testimony that became a lightening rod for the press, Mr. Arroyo claimed that the central bank offered USI favorable lending terms, that Luzon Petrochemical was undercapitalized, and that USI had paid Philippine National Bank a $5 million fee for helping the Taiwan company raise $20 million in "phantom" money.

The accusations were eventually proved false, and Mr. Arroyo has since been replaced as bank chairman. But officials said the fallout could have a long-term impact on foreign investment in the Philippines.

"There is no regularity in the regulatory framework," said Senator John Osmena. "It's scaring off foreign investors who feel vulnerable to things that are beyond their control."

The trade and industry secretary, Jose Concepcion Jr., said in late May that the value of projects registered by the Board of Investment fell to 4.6 billion pesos ($201.8 million) in April, compared with 7.32 billion in March and 7.1 billion in April 1989.

He also said the government had reduced its target for local and foreign investment this year by $2 billion to $4 billion, largely because of the petrochemical controversy and persistent fears of renewed coup attempts.

Mr. Concepcion is fighting his own political battle for not divesting his commercial interests since he joined the Aquino government. Many of his detractors represent political factions supported by Mr. Arroyo, and several analysts said the controversy stems largely from the political rivalry between the two.

"This is basically a grudge match between Arroyo and Concepcion," said the chief country representative of a British securities firm here. "It's turned into a political fight, but only the country suffers."

Neither Mr. Arroyo nor Mr. Concepcion were available for comment. The controversy is expected to have a particularly discouraging effect on Taiwan investors, the Philippines' single largest source of overseas funds.

Testimony against the petrochemical plant often turned jingoistic, with the Taiwanese cast as greedy, cash-rich speculators gobbling up Philippine assets. Teodoro Locsin, a newspaper columnist for the Manila Daily Globe, implied in a June 20 editorial that the government was mortgaging the country to "Bamboo gangs" and "Chinese thieves pretending to be Taiwanese investors."

Bank Limits Are Relaxed In Singapore

Reuters

SINGAPORE — The government plans to double the limit that foreigners can own in local banks to 40 percent, monetary authorities said Tuesday.

Lee Ek Tieng, director of the Singapore Monetary Authority, said recent developments in the capital markets and the greater maturity of the banking industry brought about the move.

But the existing limit of 5 percent that any single or related group of foreign shareholders can own in a local bank will remain, he said.

Finance companies will continue to be subject to the 20 percent foreign-ownership limit because of their smaller capitalization.

"It would, therefore, be easier for foreigners to increase their shareholdings in finance companies if the foreign ownership limit is increased," Mr. Lee said.

There are 139 banks in Singapore, of which 13 are locally incorporated and fully licensed. Another 22 foreign banks have full licenses.

Foreign bankers said earlier this month that they expected doors for their entry to Singapore's small but flourishing retail market to open soon following remarks by Prime Minister Lee Kuan Yew. He said local banks could not rely on government protection forever.

Mr. Lee also touched on liberal bank financing of share purchases, which he said led to grave distortions of the domestic money market.

Some banks have provided financing of up to 100 percent of a share purchase, leading to excessive speculative demand for the new shares and pushing interbank overnight rates as high as 65 percent, Mr. Lee said.

"Such pressures on the money market have contributed to a general rise in the level of interest rates, with the concomitant adverse implications for normal business operations in the economy," he added.

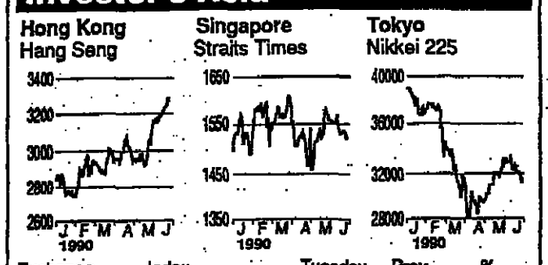
He said the banks should not grant credit exceeding 90 percent of the value of the share prices.

Mr. Lee also said his bank would approve fully licensed foreign banks offering home banking services to individuals through the telephone and home computers.

Home banking services would provide more competition and, hopefully, better service to the customer, he said.

Fully licensed foreign banks at present cannot open new branches or install off-site automated teller machines.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3292.35	3276.44	+0.49
Singapore	Straits Times	1523.59	1522.62	+0.06
Sydney	All Ordinaries	1513.10	1512.80	+0.02
Tokyo	Nikkei 225	31571.77	31124.19	+1.44
Kuala Lumpur	Composite	583.95	580.61	+0.58
Bangkok	Book Club	906.79	880.31	+3.01
Seoul	Composite Stock	736.42	739.80	-0.46
Taipei	Weighted Price	5294.12	5568.55	-4.93
Manila	Composite	905.30	918.93	-1.48
New Zealand	Barclays	1784.88	1785.04	-0.01
Bombay	National Index	434.76	435.98	-0.28

Sources: Reuters, AFP International Herald Tribune

Japan and U.S. Edge Closer at Trade Talks

By Margaret Shapiro
Washington Post Service

TOKYO — U.S. and Japanese officials said Tuesday they were making progress in resolving outstanding issues in what they hoped would be the final round of trade talks aimed at revamping the economies of the two countries.

A senior Bush administration official, describing the talks as "cooperative" and "friendly" said the Japanese government had offered some significant improvements over proposals put forward in the past.

He said, however, that the two sides were still apart on most issues at the heart of the politically charged talks, which have been underway for about a year.

A report detailing changes in business practices, government spending and laws on both sides is being demanded by some in Congress who believe unfair Japanese business and government practices are to blame for much of the $50 billion U.S. trade deficit with Japan.

Japanese officials are eager to bring these negotiations to a successful conclusion before the Houston summit of industrial powers in two weeks, where financial and trade matters are expected to dominate and where Japan is eager to play a responsible role.

Government officials on both sides said Tuesday that several issues remained to be resolved, including exactly how much money Japan would commit to spend over the next 10 years to improve the country's poorly maintained public facilities, such as parks, roads and sewer systems.

American negotiators, wary of what they say has been Japan's failure to live up to past agreements, are also insisting that the two continue to meet regularly and review how well commitments are implemented.

These wide-reaching negotiations, called the Structural Impediments Initiative, began last summer at the direction of President Bush and then Japanese prime minister Sosuke Uno in an effort to deal more systematically with escalating trade frictions.

In April, after the talks seemed stalled, the two sides met in a crisis atmosphere and produced an interim report of proposed actions, including beefing up enforcement of Japan's antitrust laws and a promise to spend more on public works.

A month later, however, U.S. trade officials were accusing Japan of failing to move forward on these promises. Since then, Tokyo has been coming up with proposals designed to show Japanese resolve.

Aquino Vows Rapid Probe Of Airline Irregularities

Reuters

MANILA — President C. Corazon Aquino on Tuesday ordered a speedy investigation into alleged irregularities by officials of state-run Philippine Airlines which might have cost the company tens of millions of dollars.

"I have directed that the investigation of alleged anomalies and related issues in PAL be conducted in a speedy manner with all parties being afforded opportunity to present their sides," Mrs. Aquino said in a statement.

The solicitor-general, Francisco Chavez, said last week that 22 senior airline officials were involved in irregularities that had caused losses for the company of about two billion pesos ($87 million)

The alleged irregularities include overpayment of commissions and lease charges, theft of airline spare parts, erroneous billings, and manipulation of financial entries. The formal accusations are expected to be presented to the executives concerned on Wednesday.

Mrs. Aquino said the investigation should enhance PAL's image as part of efforts to ensure that government-owned corporations, "particularly those to be privatized," — like PAL — were above board. PAL posted a net profit of 305 million pesos in the year ended March 1989, against a year-earlier loss of 70 million pesos.

Mitsubishi Aims at European Sales

United Press International

TOKYO — Mitsubishi Motors Corp. said Tuesday it would begin selling in Europe its top-of-the-line automobiles manufactured in the United States and Japan — a move likely to intensify competition between Japanese automakers overseas.

"We are still studying the possibility of setting up a production base in Europe," a Mitsubishi spokesman said. "No decision has been made yet."

Mitsubishi said it will start marketing the U.S.-built four wheel-drive Eclipse in Europe next spring.

The company also said it will export to Europe early next year the Diamante, its first large compact car introduced in Japan in May.

The Eclipse model is assembled by Diamond-Star Motor Corp., a 50-50 joint venture with Chrysler Corp. based in Bloomington, Illinois.

Mitsubishi said exports will begin at a monthly volume of 200 units mainly to Switzerland and Austria, where four wheel-drive vehicles are in strong demand. Exports will gradually be expanded to other countries in Europe, the company added.

Mitsubishi will be the second Japanese automaker to sell U.S.-built cars in Europe. Honda Motor Co. said it begin exporting early next year Accord station wagons assembled at its plant in Marysville, Ohio.

Diamond-Star Motors has been producing two-door hatchbacks and four-door sedans for about the past two years.

The $600 million project was primarily aimed at marketing cars produced in the United States through Mitsubishi and Chrysler dealerships.

Chrysler holds a 12.1 percent stake in Mitsubishi Motors. Mitsubishi supplies engines for Chrysler cars to be sold on the U.S. market under the Chrysler nameplate.

Japan's top automaker Toyota Motor Corp. will start manufacturing cars in Britain ahead of the European Community's integration scheduled for after 1992. It now manufactures commercial vehicles in West Germany in partnership with West German automaker Volkswagen.

Nissan Motor Co. was the first Japanese automaker to manufacture cars in Europe with its facilities located in Britain.

Honda also has been producing cars in Britain in partnership with the Rover Group PLC.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

The Daily Source for International Investors.

Country/Currency		12 months + 52 ISSUES	ONE YEAR SAVINGS	6 months + 26 ISSUES
Austria	A.Sch.	5,100	2072	2,800
—hand delivery Vienna	A.Sch.	5,400	2972	3,000
Belgium	B.Fr.	11,000	7,200	6,000
Denmark	D.Kr.	3,100	1,288	1,700
Finland	F.M.	2,000	376	1,100
France	F.F.	1,600	1,372	880
Germany (mail)	D.M.	600	468	330
—*hand delivery	D.M.	758	261	389
Great Britain	£	150	886	82
Greece (mail)	Dr.	33,000	29,880	18,000
—hand delivery Athens	Dr.	41,000	20,880	23,000
Ireland	IR£	155	116	85
Italy	Lire	420,000	328,680	231,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	432	340
Norway (airmail)	N.Kr.	2,250	1,260	1,200
—**hand delivery	N.Kr.	2,700	960	1,480
Portugal	Esc.	31,000	35,208	17,000
Spain (mail)	Ptas.	35,000	25,080	19,200
—***hand delivery Barcelona, Bilbao, Seville	Ptas.	38,000	29,088	20,900
—***hand delivery Madrid	Ptas.	51,480	40,488	25,740
Sweden (airmail)	S.Kr.	2,200	1,440	1,210
—**hand delivery	S.Kr.	2,800	840	1,540
Switzerland	S.Fr.	500	440	275
Rest of Europe, North Africa, former French Africa, Middle East	$	500	300	275
Rest of Africa, Gulf States, Asia	$	650	70	355
Central/Latin America	$	600	360	330

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SPORTS/THE WORLD CUP

England Overcomes Belgium, 1-0, in Extra Time

Reuters

BOLOGNA, Italy — England needed a goal by David Platt a minute from the end of extra time to defeat Belgium, 1-0, in their World Cup second-round match on Tuesday.

Belgium, whose only victory over England was in 1935, twice threatened to break the scoreless deadlock in normal time — both Jan Ceulemans and Enzo Scifo struck the post with superb long-range shots.

England, which has scored only three goals in its four matches in the tournament, will play Cameroon in the quarterfinals on Sunday.

Paul Gascoigne took a free kick from outside the penalty area. Platt, beating the Belgium defense, sent the ball past the goalkeeper, Michel Preud'homme, for the victory.

Both goalkeepers had been kept under pressure as the match went into extra time.

England's Peter Shilton had to dive full length for a Bruno Versavel shot, and Preud'homme left his goal to clear a Steve Bull cross from the incoming Gascoigne in the same minute.

Eric Gerets, back from a one-match suspension, tried to break the deadlock in the 104th minute when he hurtled through the center, but his aim was too high to worry Shilton.

Defensive midfielder and free-kick expert Patrick Vervoort went on for Versavel in the 107th minute.

The match remained evenly-balanced in the closing stages, with Gary Lineker and Gascoigne totally trapped by the Belgian defense.

Bull almost caught Preud'homme off guard in the 114th minute when he blasted the ball to the far post. But the Belgian goalkeeper dived to the ground and punched the ball clear.

The game went into extra time after Shilton had made a string of excellent saves.

The keenly-contested game was full of strong physical challenges from both teams.

Belgium had the first good scoring opportunity in the match, in the second minute, when Scifo set moved down on the right flank but his cross failed to reach Franky Van der Elst in the center.

Lineker set up England's first chance with a fine cross from the right that just eluded John Barnes.

After a quarter of an hour, with the England defence looking far from secure, Ceulemans came much closer to scoring.

He hit the post with a thunderous left-foot shot after Mark Wright failed to clear on the edge of the penalty area.

As England began to gain the ascendancy, Barnes profited from a defensive error by Stephane Demol after 35 minutes but Preud'homme comfortably held his shot from the edge of the area.

Both teams came out for the second half without changes.

A superb 30-metre shot from Scifo in the 51st minute surprised Shilton when it curled to his right and thundered against the woodwork.

Lineker replied by outsprinting the entire Belgian defence but Preud'homme blocked his shot with his legs three metres out.

In the last clear chance of regulation time, Shilton was forced to react quickly to a Versavel header from a Scifo cross.

■ Fans Escorted to Stadium

Police hustled English fans into buses and drove them to the stadium in a high-security operation to avoid hooliganism before England's match against Belgium, Reuters reported.

Police would not allow the fans arriving at Bologna railway station to form the kind of marching column that has provoked trouble at England's earlier matches.

Roads around the stadium were blocked and fans had their tickets and bags checked twice.

At one point during the match, riot police were forced moved in and restore order after about 50 English fans charged Belgian supporters.

Right Foot Has Scoring Punch

United Press International

ROME — Most goals were scored with the right foot in the first round of the World Cup, staistics show.

Forty-six goals were netted by right-footed shots, only 15 by players using their left feet. Twenty-one goals came from headers.

Agence France-Presse

In a hard fought match, England's Paul Gascoigne escaped the tackle of Franky Van der Elst, left, while Enzo Scifo found his way blocked by Paul Parker.

Stojkovic's Goals Put Yugoslavia Past Spain, 2-1

Reuters

VERONA, Italy — Dragan Stojkovic scored two brilliant goals Tuesday to give Yugoslavia a 2-1 victory over Spain and a berth in the quarterfinals of the World Cup.

The victory, in extra time, put Yugoslavia into the last eight for the first time since 1962. It now plays Argentina on Saturday.

Stojkovic broke open a tight, tactical game in the 77th minute.

Zlatko Vujovic crossed from the left, Srecko Katanec headed the ball back to Stojkovic, who then made a superb twist and turn before his right-foot shot beat the Spanish goalkeeper, Andoni Zubizarreta.

In the chaos that followed, Spain's manager, Luis Suarez, was banished from the match by referee Aron Schmidhuber of West Germany.

Claims by Spain for a penalty were turned down in the 81st minute after Julio Salinas appeared to have been brought down by Predrag Spasic.

But Salinas scored one minute later when he lunged at a low cross by Roberto and stabbed the ball into the net from close range to send the match into extra time.

Then, in the 92d minute, after a foul by Roberto for which the Spaniard was booked, Stojkovic scored from a free kick.

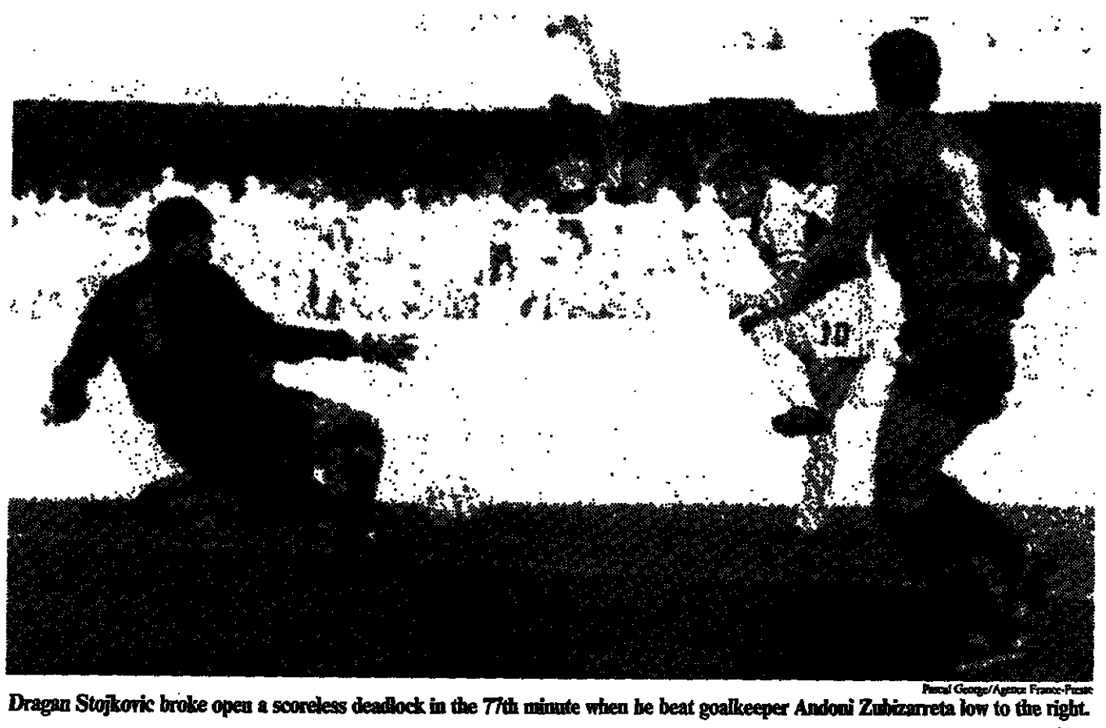
Stojkovic, who will join Marseille next season from Red Star Belgrade, curled the ball over the Spanish wall and into the net, well out of reach of Zubizarreta's dive.

The heavily favored Spaniards had done most of the running until Stojkovic opened the scoring but could not put away their chances.

Their finishing did not improve during extra time, when the Yugoslav defense proved well able to shut down approaching danger.

If anything, the revived Yugoslavs looked more likely to increase their winning margin as extra time continued in the torrid heat.

In one rapid counterattack, substitute Dejan Savicevic was denied only by Zubizarreta's timely dive. And in another, Safet Susic headed the ball just high.



Pascal George/Agence France-Presse

Dragan Stojkovic broke open a scoreless deadlock in the 77th minute when he beat goalkeeper Andoni Zubizarreta low to the right.

For most of the game, Spanish midfielder Rafael Martin Vásquez, playing a similar role to Stojkovic but with less success, created room and scoring opportunities.

But they all came to nought and Spain's best chance came in the 61st minute when Emilio Butragueño — evading his tight marking for once — rose to meet Francisco Villaroya's cross from the right.

But Butragueño's header hit a post and rebounded into the arms of the Yugoslav goalkeeper, Tomislav Ivkovic.

After the match, Yugoslavia's coach, Ivica Osim, said: "Spain played well but we really wanted revenge against them."

Spain won the only previous meeting in the World Cup finals when they played host too the competition in 1982.

"We held out despite the heat but the Spaniards weren't at their best," Osim said. "We had a bit of luck but our team played very well. I couldn't have asked for more from them."

Suarez said Spain failed to exploit their chances and "as happens in these situations, when your opponent gets near the goal, he scores.

"If any side deserved a win it was us. The players did their very best but it was very hot. We played a good match but this time luck was not with us at the decisive moments."

"But football is like that. We created fewer chances than usual but we couldn't convert them."

The Yugoslavs' tight marking of the Spanish strikers also helped smother any initiative and, among the Spanish players, only Martin Vasquez appeared ready and willing to chance his arm and try to create good moves.

Five players, including three Yugoslavs, were booked by the referee. But none of the Yugoslavs cautioned, Zlatko Vujovic, Katanec and substitute Zoran Vulic, had received a yellow card earlier in the tournament, so all may against Argentina.

Suarez later explained he had been banished from the match for complaining to Schmidhuber, the referee.

"I was waiting to make a substitution but the referee carried on with the game and in that moment the goal came," he said. "I told the referee he should have stopped the game earlier and he sent me back from the bench."

Suarez praised Stojkovic as "a good player who had a good game — but it wasn't he who made the difference today. What made the difference was that we had no luck so many times when we had scoring chances."

But Stojkovic replied: "If Suarez says luck decided it, then let him say it."

"I also think we played pretty well. We've played well in many friendly games and lost — maybe it was our turn to have Lady Luck on our side in an important game," the Yugoslav said.

Michael Lipchitz/The Associated Press

Spain's Rafeal Martin Vásquez hid the ball from Zlatko Vujovic.

Goal Scorers

Five—Tomas Skuhravy, Czechoslovakia.

Four—Michel, Spain; Roger Milla, Cameroon.

Three—Jürgen Klinsmann, West Germany; Lothar Matthaus, West Germany; Salvatore Schillaci, Italy; Rudi Völler, West Germany.

Two—Gavril Balint, Romania; Michal Bilek, Czechoslovakia; Careca, Brazil; Davor Jozic, Yugoslavia; Marius Lacatus, Romania; Darko Pancev, Yugoslavia; Bernardo Redin, Colombia; Dragan Stojkovic, Yugoslavia.

One—Magdi Abdel Ghani, Egypt; Roberto Baggio, Italy; Uwe Bein, West Germany; Pablo Bengoechea, Uruguay; François Omam Biyik, Cameroon, Andreas Brehme, West Germany; Tomas Brolin, Sweden; Jorge Burruchaga, Argentina; Paul Caligiuri, United States; Claudio Caniggia, Argentina; Juan Arnoldo Cayasso, Costa Rica; Jan Ceulemans, Belgium; Leo Clijsters, Belgium; Marc DeGryse, Belgium; Michel De Wolf, Belgium; Igor Dobrovolsky, Soviet Union; Johnny Ekstroem, Sweden; Roger Flores, Costa Rica; Daniel Fonseca, Uruguay; Giuseppe Giannini, Italy; Ronald Gonzáles, Costa Rica; Alberto Górriz, Spain, Ruud Gullit, Netherlands; Ivan Hasek, Czechoslovakia, Mo Johnston, Scotland; Ali Thani Juma'a, United Arab Emirates; Wim Kieft, Netherlands; Ronald Koeman, Netherlands; Lubos Kubic, Czechoslovakia; Hwang Bo Kwan, South Korea, Gary Lineker, England, Pierre Littbarski, West Germany; Milan Luhovy, Czechoslovakia; Stuart McCall, Scotland; Hernán Medford, Costa Rica; Pedro Monzón, Argentina; Khalid Ismail Mubarak, United Arab Emirates; Muller, Brazil; Bruce Murray, United States; Andreas Ogris, Austria; Robert Prosinecki, Yugoslavia; Oleg Protasov, Soviet Union; Niall Quinn, Ireland; Freddy Rincón, Colombia, Gerhard Rodax, Austria; Enzo Scifo, Belgium, Aldo Serena, Italy; Kevin Sheedy, Ireland; Julio Salinas, Spain; Glenn Stroemberg, Sweden; Safet Susic, Yugoslavia, Pedro Troglio, Argentina, Carlos Valderrama, Colombia; Patrick Vervoort, Belgium; Mark Wright, England; Alexander Zavarov, Soviet Union; Andrei Zygmantovich, Soviet Union; Mauricio Montero, Costa Rica, own goal.

FIFA Rejects German Bid On Penalties

Compiled by Our Staff From Dispatches

ROME — FIFA rejected on Tuesday the West German appeal to have the one-match suspension of Rudi Völler overturned and barred the striker who had received a red card from of the quarterfinal match against Czechoslovakia.

The world soccer federation also upheld the yellow card received by playmaker Lothar Matthäus, but the West German captain will be able to play Sunday's quarterfinal match. It was his first yellow card of the tournament.

"Protests can only be made against wrong technical decisions by the referee," said FIFA spokesman Guido Tognoni. "A question of fact cannot be the subject of a protest. In this case, the referee made no technical fault and the protests are rejected."

He said FIFA had not studied television film of the incidents and had based its decision on the report by match referee Juan Carlos Loustau of Argentina.

Tognoni said FIFA's technical commission would meet Wednesday to decide whether further sanctions should be imposed on Völler and Dutch defender Frank Rijkaard, who was sent off with him.

Players shown a red card are automatically banned for one match, but FIFA can increase the suspension for serious offenses.

Völler and Rijkaard were dismissed by Loustau after a first half clash. The Dutchman spat several times at the West German striker before they went off.

Matthäus was booked later for playing on after the referee had awarded a free-kick.

A West German spokesman described Völler's dismissal and Matthäus's booking as "two crass wrong decisions".

At the team's base in Erba, West German officials said they had not abandoned hope of a favorable review on Wednesday from the disciplinary commission when it determines the size of the punishment.

The team's manager, Franz Beckenbauer said Tuesday that forward Karlheinz Riedle will replace of Völler in Sunday's quarterfinal match.

Riedle, 24, played part of Sunday's match as a substitute for Jürgen Klinsmann.

Flashy midfielder Thomas Hässler, the only West German player on the injury list this week, is expected to be sidelined for the second consecutive match Sunday.

Hässler strained his left thigh during a first-round match and missed last Sunday's second-round match against the Netherlands.

(Reuters, AP)

WORLD CUP WRAP-UP

Skuhravy Signs With Italy's Genoa

BISCEGLIE, Italy (Combined Dispatches) — Tomas Skuhravy, a Czechoslovak forward who has scored five goals in the World Cup, has signed a three-year contract with Genoa of the Italian first division, the club said Tuesday.

Italian news agency ANSA reported that Skuhravy, 25, will get $500,000 over the contract period, plus a car and the use of an apartment in Genoa, ANSA said. His Czechoslovak club, Sparta Prague, gets the remaining $2.5 million transfer price.

A Genoa spokesman said Rubén Paz, of Uruguay, would be released while the future of other Uruguayan player, José Perdomo, had not been decided.

Other Czechoslovak players considering offers from abroad include midfielders Michal Bilek and Ivan Hasek, defender Miroslav Kadlec and goalkeeper Jan Stejskal. Bilek was reported by the Italian press to be joining Pisa in the Italian league, while the rest are negotiating with several clubs. *(Reuters, AP)*

Maradona Says Ankle Injury Worse

ROME (AP) - Diego Maradona said Tuesday that his injured left ankle is much worse, but that he would play in Argentina's quarterfinal match on Saturday.

"I don't want to give up. I'll be on the field even if it is one one leg," said Maradona, who injured his ankle during Argentina's 1-1 draw with Romania on June 18.

Argentina's coach, Carlos Bilardo, said other players nursing injuries are defender Oscar Ruggeri and midfielders Jorge Burruchaga and Ricardo Giusti.

5 Players Disqualified for One Match

ROME (AP) — FIFA said Tuesday that five World Cup players have been disqualified for their next match.

Ricardo Gómez of Brazil was fined 20,000 Swiss francs ($16,000) and disqualified for his next international match after receiving a red card in Brazil's 1-0 loss to Argentina on Sunday.

Nicola Berti of Italy, José Perdomo of Uruguay, Georghe Hagi of Romania and Pedro Monzón of Argentina were disqualified for one match and fined 10,000 Swiss francs after receiving two yellow cards.

Berti and Monzón will miss their team's quarterfinal matches this weekend.

All Players Pass Tests for Drugs

ROME (Reuters) — All the players tested for illegal substances in the first 40 matches of the World Cup have passed anti-drug controls in matches up to Sunday evening, FIFA said. Two players from each nation were tested after each of the first round games of the 52-match tournament but the number went up to three with the start of the second round last Saturday.

Irish Striker May Miss Italy Match

ROME (AP) — John Aldridge, an Irish striker, will probably miss his team's quarterfinal game against Italy because of a calf injury, Irish officials said Tuesday.

Aldridge, 32, aggravated the injury early in Monday's victory over Romania that moved the Ireland into the quarterfinals against Italy.

Steve Staunton, a defender who has a hamstring pull, is another possible casualty for the match Saturday. Ireland's manager, Jack Charlton, is not expected to decide on either player until later this week.

Fan Cleans Up at English Bookmaker

LONDON (AFP) — An Italian soccer fan did quite well from Italy's 2-0 victory over Uruguay on Monday night. The fan collected £104,722 ($181,000) from the British bookmakers William Hill after betting £55,000 on Italy to beat Uruguay at 4-9 odds and a further £5,000 at 11-2 that the winning margin would be 2-0.

For the Record

Gianluca Vialli and Roberto Donadoni — two injured Italian players — have resumed training and may join the team in Saturday's quarterfinal against Ireland, Italy's coach, Azeglio Vicini, said at the team's training camp in Marino, Italy, on Tuesday. *(Reuters)*

Florin Raducioiu, a Romanian forward, flew to Bari in southern Italy on Tuesday for transfer talks with the first-division club. Raducioiu would become the second member of Romania's World Cup team to join an Italian club. Striker Marius Lacatus signed a three-year preliminary agreement with Fiorentina last week. *(Reuters)*

THE WORLD CUP SHOWDOWN

QUARTERFINALS

Sun, June 24, Turin, 1500 GMT
BRAZIL 0
ARGENTINA 1

Tue, June 26, Verona, 1500 GMT
SPAIN 1
YUGOSLAVIA 2

Mon, June 25, Genoa, 1500 GMT
IRELAND 5
ROMANIA 4
0-0 after extra time. Ireland won in shoot-out

Mon, June 25, Rome, 1900 GMT
ITALY 2
URUGUAY 0

SEMIFINALS

Sat, June 30, Florence, 1500 GMT
ARGENTINA
YUGOSLAVIA

Sat, June 30, Rome, 1900 GMT
IRELAND
ITALY

Tue, July 3, Naples, 1800 GMT

FINAL

Sun, July 8, Rome, 1800 GMT

THIRD PLACE

Sat, July 7, Bari, 1800 GMT

SEMIFINALS

Wed, July 4, Turin, 1800 GMT

QUARTERFINALS

Sun, July 1, Milan, 1500 GMT
CZECHOSLOVAKIA
W. GERMANY

Sun, July 1, Naples, 1900 GMT
CAMEROON
ENGLAND

Sat, June 23, Bari, 1900 GMT
CZECHOSLOVAKIA 4
COSTA RICA 1

Sun, June 24, Milan, 1900 GMT
W. GERMANY 2
NETHERLANDS 1

Sat, June 23, Naples, 1500 GMT
CAMEROON 2
COLOMBIA 1

Tue, June 26, Bologna, 1900 GMT
ENGLAND 1
BELGIUM 0

Ireland Celebrates Its No-Win Success

International Herald Tribune

GENOA — "There's going to be a party in this town the like of which it's never seen before," declared Ireland's manager, Jack Charlton.

Being the earthy character he is, Big Jack probably appreciated exactly how tall a boast that sounded in a port such as Genoa, where mariners' drinking parties must have pretty near topped the Richter scale of drinking parties.

But sailors celebrate getting off the water. Charlton darn near walks on it. He is an Englishman proclaimed in the green and orange banners of Irish Republicans as "Saint Jack."

He is pragmatic and laconic, and has a simple approach: Stop the other team from playing.

With less than a handful of true Irish soccer players to choose from (Gaelic football was always the Republican game) he exploits FIFA's lax qualifying rules, which allow the great-grandchild of long deceased Irish men or women to wear the green.

Rob Hughes

But Charlton has discovered another quirk in the system. You don't have to win matches to succeed; you simply have not to lose.

And after eliminating Romania on the 10th penalty kick following a scoreless, often artless game, Charlton beamed when asked how it felt to reach the last eight of a World Cup without winning a single match.

"We might finish up winning the whole tournament without winning a game," he replied.

Charlton let the thought linger like his cigar smoke. There was a smile on his lips, but never doubt that the game plan against Italy will be to deny the Italians space, to prevent their superior techniques just as Charlton admits his men denied Romania, and to put nerve and sinew and team spirit to the test for as long as it takes one side to crack.

It is hardly purist soccer, but Jack has no time for purists. Drawing first round matches against England, the Netherlands and Egypt, and getting the break in the penalty shoot-out against Romania is, in Charlton's view, "more wonderful than winning the World Cup as a player" — a destructive center half — with England in 1966.

So he will drink beer in Genoa, and he says, "start worrying about the Italians when we sober up."

The truth is, having knocked out Romania, the Irish will not worry about Italy at all. They will take the field with something akin to the old Maoist battle plan: Harrass the enemy until he stops, and strike when he is weary.

IN GENOA, Romania had played into Ireland's hands. The heat, and especially the clinging 81 percent humidity, induced a contest as limp as the world's flags adorning this rectangular, oppressive stadium.

Both teams played a waiting game. Waiting perhaps for shade, waiting to be overcome by fatigue, waiting for a mistake. Romania had, in Gheorghe Hagi, the classiest touch player; Ireland had the determination to crowd him.

Cheeks began to puff, legs began to cramp. The crowd, overwhelmingly Irish and too intolerant to stay silent through the anthem of a Romanian team to whom such simple freedom means something, were hollering and baking.

After 90 goal-less minutes the players were sprawled on the grass like overcoats thrown on chair backs. Charlton hovered around his men, understanding their pain but finding no words to lift them. Emerich Jenei, the opposing manager, fussed around each Romanian, coaxing and cajoling, instructing them to lie on their backs and shake lactic acid down from the muscles.

And still we had dull equality. The "play" ground to a standstill.

PENALTIES, that Russian roulette apology for soccer, would send one team to Rome against Italy on Saturday, and the other home.

All the players lay in the center circle, a pool of exhaustion. One by one, the solitary figures would trudge forward to test their aim and their nerve against, in turn, goalkeepers Silviu Lung and Pat Bonner.

The crowd forgot sportsmanship. They hissed each Romanian, cheered each hero of the Republic. One after another, eight men tried, eight men scored, eight sighed with relief as his shot ruffled the net.

Then came Daniel Timofte. An inexperienced substitute, Timofte presumably accepted responsibility shunned by others. He walked without conviction, his right foot shot was too close to Bonner, too weak to prevent the save. Irish celebrations began prematurely.

Wait, wait! Who would take the final Irish penalty shot, which still had to go in for the victory?

Charlton, the manager, had not even asked his players what the order would be. "If they are confident enough to do it, they'll select themselves," he observed.

Up stepped David O'Leary, another substitute but no fledgling. At 32, O'Leary is one of the most experienced professionals in English league history, though coincidentally a Dubliner and thus, like Bonner, one of the minority of Irishmen playing for Ireland.

Who dared watch? Charlton denies turning his back. "I wasn't bothered about the penalties," he insists. "I looked up into the stand to get a better view on the big screen."

Ah, yes, the screen. This drama was being played to the whole world. But O'Leary, a defender given all his adult life to keeping the ball out of nets, did not prolong the agony or the ecstacy.

He hit the ball straight and true, the Romanian 'keeper anticipated wrongly and dived the other way. End of shoot-out, end of Romania's World Cup.

O'Leary danced a jig. Bonner cried. And through the cavorting green shirts trudged the forlorn, grey-shirted Silvin Lung, defeated goalkeeper and national captain.

The contrived drama was more memorable than the match. But my thoughts went out to Bucharest. Somewhere in that city, among people still afraid of losing that freedom they thought was theirs a few months ago, is a man named Helmut Ducadam.

He is a huge man, with arms that seemed almost telescopic the day, four years ago, he won the European Cup for Steaua Bucharest. Ducadam was then his nation's best goalkeeper, and a young one at that.

And though I forget whether it was three or four stops he made, his reach and almost telepathic reading of the penalty-takers of Barcelona won, single-handedly, the day in Seville.

Alas, Ducadem for some reason later bumped into the Securitate police torturers. They wrenched an arm out of its socket, destroyed the limb, and cut off his career in its prime. Who knows, that brutality might also have diverted Monday's parties from hard-pressed Romania to a very liquified Ireland.

Rob Hughes is on the staff of the Sunday Times

Reuters

Charlton: 'Saint Jack.'

Italy Worries Over Winning

By William Gildea
Washington Post Service

ROME — Potentially, there hasn't been a time like this in Italy since 1934, when the country hosted the World Cup and won it at the same time. It explains, in part, the state of high, intertwined emotions here. The Italians, in a sense, want it all: They want to be fine hosts, hurting no one's feelings, but they also want the world to know what they consider the true home of soccer in 1990.

They worry. They worry if it's possible to send everyone home a happy loser. They worry about a lurking West Germany. On Monday they worried about Monday night's match with Uruguay, which started the evening as one of only three countries to hold an advantage over Italy through the years. By evening's end, Italy had evened the ledger and eliminated Uruguay from the World Cup, 2-0, advancing to the quarterfinals.

Italian fans stopped worrying long enough to celebrate for hours into the morning.

Their national team, known as the Azzuri, the Blues, took another step toward a repeat of '34, winning the cup (which they also did elsewhere in '38 and '82) in Italy.

Yet their quarterfinal matchup here in Olympic Stadium on Saturday night will be against an unexpected opponent, a stubborn Irish team which advanced Monday in Genoa with an emotion-packed upset of Romania. Ireland won, 5-4, on penalty kicks after a scoreless deadlock had carried through extra time.

Ireland, which had never before made the 24-team cup finals, would seem to face an impossible assignment playing Italy. Objective observers here believe Italy will cut through Ireland like butter.

Ireland's coach, tall Jack Charlton, was asked, tongue in cheek, on Monday in Genoa if he thought his team would take Rome by storm. Taking a long puff on a victory cigar, Charlton replied, "We will be better in the evening in Rome than the heat of the day here today."

It sounded like just enough to make Italian fans worry some more. They worried during the first half Monday night, and into the second. Uruguay held its own; it's a country that's been two-time World Cup champion and winner of the America Cup tournament a record 13 times.

But in the 52d minute, Italy's coach, Anzeglio Vicini, made a key decision. Utilizing his bench strength, he inserted forward Aldo Serena, who would be the tallest man on the field. Three minutes later, Uruguay brought on Rubén Sosa, a dynamic striker withheld until Oscar Tabarez, Uruguay's coach, thought Sosa could run wild against tiring legs. At 5 feet, 6 inches (1.68 meters), Sosa would be the shortest player on the field.

Italy's Vicini had picked the tall straw. Immediately, Serena began using his height to control balls with his head. Vicini had changed the game's tactics.

Serena sent a number of crossing passes to the people's choice, Salavatore Schillaci, a small darter. In the 65th minute, Serena took a pass from Roberto Baggio and flicked the ball between the legs of Nelson Gutiérrez, a Uruguay defender, to Schillaci. He scored with a left-foot shot — as he said later, a "full foot" shot for his third goal in four Cup games. "The most satisfying goal is a header," said Schillaci, 25, born and raised in Palermo and now freed from the obscurity of Sicilian sandlots. "But the one tonight was the one I tasted the most."

In the 83d minute, Uruguay's José Perdomo fouled Pietro Vierchowod. Giuseppe Giannini took the free kick, floating it toward the front of Uruguay's goal where Serena beat a defender to the ball and headed it leaped past the Uruguayan goalkeeper, Fernando Alvez.

Almost all of the 73,303 in a humid Olympic Stadium went wild with ecstasy. As the Italian goalkeeper, Walter Zenga, completed his shutout, thousands of the green, white and red Italian flags were waved in unison, and chanting turned to song.

Vicini, under questioning but giving away as little as possible, concurred in a sense that he had, perhaps, the most remarkable number of quality reserves ever assembled, and that, indeed, he had switched game tactics sharply by substituting in Serena. Vicini went this far: "I can count on players of different characteristics."

Bob Pearson/Agence France-Presse

Anzeglio Vicini: Changed game's tactics.

He called the victory "another small but important step toward our ambitions, our dreams."

And in a way, he foretold how difficult it would be for Ireland here Saturday night. "Playing on the home field," he said, "we are almost always on the attack."

247 to Be Deported After English Riot

Reuters

RIMINI, Italy — Nearly 250 English soccer fans were arrested in the coastal resort of Rimini early Tuesday after they had attacked Italians and had fought police in the worst violence of the World Cup, police said.

Italy on Tuesday arranged a special charter flight to deport the 247 English supporters involved in the rioting.

The police chief of Rimini, Alessandro Fersini, said that the fans had been held in four separate police stations in the resort after several hours of violence early Tuesday in which drunken English supporters fought running battles with police.

The local police force had to call in reinforcements from neighboring towns.

"We were expecting trouble but not violence like this," Fersini said. "I might have understood if it had been Italy against England in the World Cup but this has nothing to do with football."

Police said none of the fans had been charged and no Italians had been detained.

Twenty people, including four policemen, needed treatment in a hospital.

Fersini said he did not believe that all those held were hooligans. But, he said, all would be deported because the police wanted to take measures to stop further trouble from breaking out.

But police had to be called in later Tuesday to prevent arguments from becoming violent when groups of English fans tried to buy beer and wine in Rimini despite a ban of the sale of alcohol.

Police said they had to forcibly eject English fans from several bars, but there were no reports of arrests or injuries.

Local authorities meanwhile extended a ban on the sale and consumption of alcohol throughout the Adriatic coast to 7 A.M. Wednesday due to the overnight violence.

The overnight trouble erupted when about 100 English youths cramming the Rose and Crown pub on Rimini's seafront threw bottles, glasses and chairs at local youths celebrating Italy's 2-0 victory over Uruguay in Rome.

Police fired tear gas and used baseball bats to keep apart rival groups of English and Italian youths.

Nearby, about 150 Italians besieged the Lord Nelson pub and taunted some 50 English fans inside, daring them to fight.

Police fired more tear gas to clear hundreds of Italian fans chanting obscenities, who had gathered near the scene of the street battles.

Richard Di Angelo, 37, manager of the Rose and Crown pub, said, "For a couple of hours it was like war."

He said two groups from among about 300 fans drinking in his bar had begun throwing heavy beer mugs at Italian cars. Police responded by firing tear gas into the bar.

Philip Ashford, an English fan who was in the pub, said about 20 to 30 English fans had thrown bottles and glasses at a motorcade of Italians driving along the seafront.

"I was going to go back to England to say the fans had behaved well but that has all been shot to pieces," Ashford said.

A police spokesman in Rimini said clashes had occurred all over the town. He said 300 to 400 English fans had smashed windows and damaged cars and "unleashed acts of hooliganism."

The spokesman described the situation as "fairly serious" and said the violence was difficult to control because it had spread into many areas.

He said police had made repeated baton charges but he was not able to say how many people had been arrested or injured.

Police estimated that between 3,000 and 4,000 English fans had been staying along the Adriatic coast for England's second round-match against Belgium in Bologna on Tuesday.

The rioting in Rimini was the second major incident of hooliganism involving English fans.

Rock-throwing English supporters clashed with riot police in the Sardinian capital of Cagliari before England's Group F match against the Netherlands on June 16.

■ 8 Italians Arrested

Police arrested eight Italian soccer supporters in Rome early Tuesday as thousands of people poured into the streets of the capital to celebrate Italy's 2-0 victory over Uruguay, Reuters reported from Rome.

Police said the eight were arrested for throwing stones at police, damaging cars and resisting arrest towards the end of festivities marking the victory.

Agence France-Presse

A soccer fan, his shirt covered in blood, had to be restrained by a friend as he argued with police during the night of rioting in Rimini.

Judge Gives Heysel Rioters Longer Jail Terms

Reuters

BRUSSELS — A Belgian appeal court on Tuesday increased the jail sentences on 11 English soccer fans who were convicted of manslaughter during a riot at Brussels' Heysel stadium in 1985 in which 39 people were killed.

The court also found a top European Football Union (UEFA) official guilty of the lesser crime of involuntary killing by gross negligence, and said UEFA was liable to pay compensation to the victims and their families.

After four months of appeal hearings, Judge Pierre Van De Walle increased the original three-year prison sentences — 18 months of which were suspended — to four years for seven of the Englishmen and to five years for four of them.

He also canceled the 18-month suspensions and upheld a 60,000-franc ($1,800) fine imposed when they were sentenced in April, 1989.

Only one of the Englishmen, Alan Woodray, was in court. The 10 others are assumed to be back in Britain. Woodray was jailed for four years.

Two other Englishmen had their original sentences upheld, and one was acquitted.

The Englishmen were found guilty of attacking rival supporters before the European Cup final between Liverpool and Juventus of Italy on May 29, 1985. In the ensuing panic a wall collapsed, crushing 39 persons, most of them Italians.

"Football stadiums are sports grounds and not battlegrounds," Van De Walle said in his summation.

The judge did not order the arrest of Woodray, but he did order the immediate arrest of the 10 others.

The order applies only to Belgian territory.

A spokesman for Belgium's Justice Ministry said it was too soon to say if extradition would be requested, adding that the Britons would perhaps be able to serve their sentences in British prisons.

Van De Walle said photos, videotape and in some cases their own confessions showed that the Britons "actively and of their own free will" charged, kicked and punched Italian fans, who were forced to flee in terror.

Hundreds of people were injured in the stampede.

The judge overturned the acquittal of Hans Bangerter, a former secretary general of the European Football Union (UEFA), and imposed a three-month suspended jail sentence and a 30,000-franc fine.

He ruled that Bangerter was guilty of involuntary killing by gross negligence — a lesser crime than manslaughter — by failing to provide adequate security at the aging Heysel stadium.

Van de Walle also said UEFA should compensate victims of the riot and their families for material damage and mental suffering.

But the court put off until October a decision on how much money to allot the victims, who had appealed for the 300 million francs ($8.8 million) awarded provisionally last year to be increased.

Daniel Vedovatto, a lawyer for the Italians, said he was satisfied with the verdicts. "It should mean more compensation, but it may still not mean enough," he said.

The judge upheld the acquittal of Jacques Georges, UEFA's president who had faced the same charges as Bangerter.

The judge also upheld the conviction and six-month suspended jail sentence for unlawful killing given to Albert Roosens, the former general secretary of Belgium's football union.

Roosens was accused of failing to take effective measures to separate the rival groups of fans at the stadium.

The judge also upheld the conviction of Johann Mahieu, the police officer in charge of police operations at the ground, for unlawful killing by failing to provide adequate security.

His nine-month suspended sentence was reduced to six months, also suspended.

The judge confirmed the acquittal on the same charged of unlawful killing for Michel Kensier, another policeman.

The mayor of Brussels, Hervé Brouhon, also was cleared of blame.

The Cup Can Halt Even a Summit Meeting, in Dublin

Compiled by Our Staff From Dispatches

DUBLIN — Ireland's historic victory in the World Cup brought life to a standstill throughout the country — even at an European Community summit meeting.

Policemen, European bureaucrats, journalists and ancillary staff watched the Ireland-Romania match on televisions in Dublin Castle, while the heads of state and government speeded up their talks.

Prime Minister Charles Haughey of Ireland was holding a news conference after the summit meeting's afternoon session when Ireland and Romania began their shoot-out after playing a scoreless 120 minutes.

Then a reporter burst into the room, and told the prime minister that the crucial shot was about to be taken and everyone crowded round a television.

Haughey could hardly bare to watch as David O'Leary made the shot that took Ireland, for the first time, into the World Cup quarterfinals.

Less than a minute after the final whistle, Haughey appeared in front of television cameras in the castle's courtyard, where he performed an exuberant jig of delight and praised the performance of the national team.

Haughey hugged a television reporter and said, "I am absolutely over the moon."

With cheers from his countrymen echoing round the castle courtyard, a grinning Haughey said "It has been a long, hard day and we have been praying all day and this is it. We are there now."

Ireland's World Cup fever — this is the first time the country has reached the finals of the tournament — seemed to be infectious.

"We were keeping tabs all right. In fact all the heads of state and government were just as interested as I was," Haughey said.

Throughout Ireland factories, offices and stores had closed for the day, or shut their doors early to allow fans to watch the match against Romania. Pubs in Dublin braced themselves for a long and noisy night of celebration.

Goodwill flowed even from Prime Minister Margaret Thatcher of Britain, who has had abrupt exchanges with Haughey in the past.

She had hurried down from the conference table to watch the match's climax, a British official said.

"She is delighted for the Irish," the official said, while also observing that, after all, some of the credit should also go to the Irish team's manager, Jack Charlton — an Englishman.

(Agence France-Presse, Reuters)

Patrick Hertzog/Agence France-Presse

Schillaci: Three goals make him the focus of attention in Italy.

For Italians, the New Rossi

Reuters

ROME — Italian fans, desperate to find a new home-grown hero in a league of foreign stars, are already talking about Salvatore Schillaci in the reverent tones usually reserved for Paolo Rossi.

But Schillaci, Toto to his friends, is trying not to let the attention go to his head.

"I am going through a magical moment," said Schillaci after he scored the first goal in the 2-0 victory over Uruguay that put Italy into the quarterfinals. "I just hope I can keep my feet on the ground."

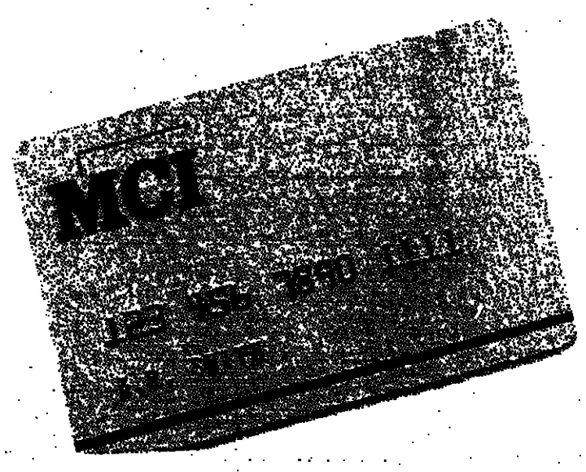
Italians are keen to point out that Schillaci, with two goals in the opening three matches, started the World Cup in similar fashion to Rossi, the hero of 1982 when Italy last won the trophy.

Schillaci, 17 at the time, recalled: "I was one of the fans who were out on the street yelling, 'Come on Italy.' "

Little more than a year ago, Schillaci was virtually an unknown, playing in the Italian second division. Then Juventus signed him. His World Cup joy was added to by the birth of his son, Mattia, during the first round.

"I have to thank Juventus who gave me a big chance to prove myself and gave me the experience that got me into the national team," he said.

He said that "I would particularly like to thank my teammates," and added with candor: "Being in the news makes me very happy."



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SPORTS

Bullets Trade Malone for Ellison

By David Aldridge
Washington Post Service

WASHINGTON — The Washington Bullets have dealt Jeff Malone, a two-time all-star guard, and their No. 2 1991 draft pick to the Sacramento Kings in return for forward-center Pervis Ellison.

Malone was then sent to Utah by the Kings on Monday, along with their second-round pick in Wednesday's National Basketball Association draft, for guard Bobby Hansen, center Eric Leckner and the Jazz's first- and second-round picks in the draft.

In another pre-draft trade Monday, the New Jersey Nets acquired Reggie Theus from the Orlando Magic in exchange for the Nets' second-round draft choices in 1993 and 1995.

Ellison, 23, the No. 1 pick in 1989's draft, missed 48 games this season with bone spurs and tendinitis. The spurs were removed in September, but, after he had played just four games, tendinitis in a toe kept him out of action almost three months into late February. Moving to the starting lineup in March, he averaged eight points and five rebounds in 21 games.

It is the first time that a No. 1 pick has been traded after one season.

Malone averaged 24.3 points a game last season and averaged 20.2 in seven seasons with the Bullets.

"We're very excited," said Scott Layden, Utah's director of player personnel. "We're getting a great perimeter shooter, a great scorer" and a player who is "underrated in a lot of other areas."

In obtaining Ellison, the Bullets have made a financial commitment of more than $6.9 million over the next three seasons. Ellison's salary is estimated to be about $1.8 million for the coming season. Malone, 28, made slightly more than $915,000 last season.

There has been some speculation about Ellison's health, and the trade is contingent on Ellison and the other players in the deal passing physical examinations.

■ Coleman to Nets?

After trading for Theus, a 12-year veteran guard, the Nets appear to be in a stronger position to draft Derrick Coleman with the first pick in the draft on Wednesday, The New York Times reported.

The acquisition of Theus, 32, gives the Nets the perimeter shooter they were seeking, but they also need frontcourt help, making it more likely that they will select Coleman, a 6-foot, 9-inch (2-meter) forward from Syracuse.

Coleman, Dennis Scott of Georgia Tech and Gary Payton of Oregon State are the three players New Jersey is considering taking with the No. 1 pick.

But Scott is a player similar to Theus, a big guard who can score. And Payton, primarily a point guard, does not fit the Nets' needs as much as Coleman does.

Willis Reed, the Nets' general manager, insisted Monday that New Jersey might still select Scott.

"Just because we have Theus doesn't mean we no longer have interest in Scott," he said.

New Jersey could still make a last-minute trade before the draft, but the Nets insisted that no deal involving the No. 1 pick was imminent as of Monday.

■ Shaw Files Affidavit

Brian Shaw has filed an affidavit in federal court stating that he wants to break his contract with the NBA Boston Celtics and return to the Italian league to fulfill the final year of a two-year obligation there, The Associated Press reported from Boston.

Shaw's statement was submitted Monday in U.S. District Court in Boston, in response to legal action taken last week by the Celtics, who confirmed their contract's validity with the NBA arbitrator, Daniel G. Collins. The Celtics have asked Judge David Mazzone to ratify the arbitrator's ruling.

Shaw was the Celtics' top draft pick in 1988 and played one season with Boston before signing a two-year, $1.7 million contract with the Rome team Il Messaggero on Aug. 9, 1989. On Jan. 23, halfway through his obligation in Italy, Shaw signed a five-year, $6.2 million contract with the Celtics starting with the 1990-91 season. Then in June, Shaw told the Celtics that he would play for a second year in the Italian league.

Also on Monday, Gruppo Ferruzzi, the owner of Il Messaggero, filed a suit claiming that the Celtics intentionally interfered with Shaw's contract.

■ Daly Likes Nuggets Post

Chuck Daly, coach of the champion Detroit Pistons, says that he finds the post of general manager of the Denver Nuggets "intriguing" and hopes to meet with Nuggets officials soon, The Associated Press reported from Denver.

The Nuggets contacted Daly early on in their search for a general manager, and he passed, according to the team's president, Carl Scheer. But after the Nuggets offered John Thompson, Georgetown's coach, a salary of at least $700,000 and 4 percent ownership in the team, and Thompson rejected the offer, Daly said Monday that he would like to be considered for the post. He has one year remaining on his Pistons contract.

■ Bianchi Gets New Deal

The New York Knicks announced Monday that Al Bianchi, the team's general manager, had been given "a contract extension to take the Knicks to the next level," The New York Times reported.

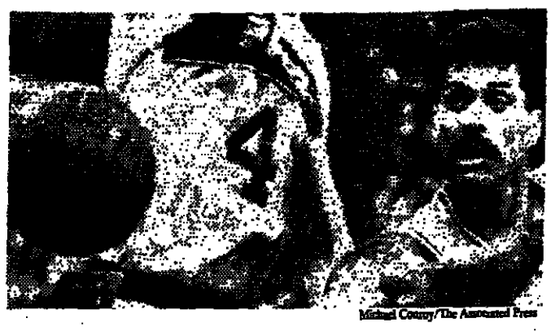
Jack Diller, executive vice president of the Madison Square Garden Sports Group, which owns the Knicks, declined to reveal the contract's terms, but Bianchi indicated that it was for one year. His salary will reportedly be about $300,000.

The contract was worked out over the weekend in meetings between Diller and Bianchi.

■ Barkley Has Surgery

Dr. James Andrews removed a bone spur from Charles Barkley's right shoulder Monday during two hours of arthroscopic surgery in Birmingham, Alabama, and was forced to repair some frayed and torn ligaments in the shoulder, The Associated Press reported.

While the 27-year-old Philadelphia 76er forward is expected to recover fully, the ligament damage is expected to add four weeks to his planned six-week rehabilitation.



Michael Conroy/The Associated Press

The Washington Bullets sent all-star guard Jeff Malone, right, to the Utah Jazz, via the Sacramento Kings, in return for Pervis Ellison, last year's No. 1 draft pick, below. In another late trade before the National Basketball Association's draft on Wednesday, the New Jersey Nets acquired veteran guard Reggie Theus, above, from the Orlando Magic.

Ron Heflin/The Associated Press

Reds Down Giants to Regain Cushy Division Lead

Compiled by Our Staff From Dispatches

The Cincinnati Reds have a double-digit lead again, and this time they are determined to keep it.

The Reds stretched their lead in the National League West back to 10 games on Monday night by beating the San Francisco Giants, 5-2, in Cincinnati. The 10-game cushion over the Giants and the San Diego Padres equals their biggest lead of the season.

The last time they had so much breathing room, they almost choked. After going up by 10 games on June 3, the Reds lost three straight in San Francisco and had the lead shrink to just five games in 10 days.

Todd Benzinger's three-run homer and Jack Armstrong's eight strong innings on Monday revived the Reds, and put them 21 games over .500.

Armstrong became the third 10-game winner in the National League by allowing just four hits and two runs over eight innings.

Benzinger hit his fourth homer in the first inning off John Burkett for a 3-0 lead. Burkett had beaten the Reds with a complete game on June 4 at Candlestick Park to start the Reds' slide.

Dodgers 5, Braves 2: Ramon Martinez, the National League strikeout leader, fanned nine and pitched an eight-hitter for Los Angeles in Atlanta.

The 22-year-old right-hander raised his strikeout total to 121 and did not walk a batter in posting his league-leading sixth complete game.

The last time he faced the Braves, on June 4, he struck out 18 to tie Sandy Koufax's Dodger record.

Pirates 5, Phillies 0: Jose Lind hit a two-run triple and Ron Reed, making his first start this season, pitched a four-hit shutout, retiring 20 of the last 21 Philadelphia batters in Pittsburgh.

Reed also hit a sacrifice fly in the Pirates' three-run fourth inning. He struck out a career-high nine and walked two.

Mets 3, Cardinals 2: In St. Louis, Milt Thompson misplayed a double in the right-field corner, allowing Mackey Sasser to score the go-ahead run in the ninth as New York won its seventh straight.

With two out and a runner on first, Dave Magadan doubled off Lee Smith and Thompson booted the ball into the corner as Mackey Sasser scored without a play.

Astros 5, Padres 3: Mike Scott combined with three relievers for a seven-hitter, allowing five hits over 5⅔ innings and improving his career record at the Astrodome against the Padres to 14-1.

Expos 7, Cubs 3: Nelson Santovenia hit a two-run homer in the fourth inning and added an RBI single in a decisive five-run seventh, leading Montreal over the slumping Cubs in Chicago.

Tim Wallach singled in two runs in the big inning, which also included a run-scoring single by Larry Walker and an RBI double by Mike Aldrete.

Red Sox 10, Blue Jays 8: Jody Reed broke a 7-7 tie with a solo homer in the sixth inning to help Boston snap a 15-game home losing streak against Toronto. That put the Red Sox into first place in the American League East.

Athletics 4, Tigers 3: Bob Welch won his career-high ninth straight decision and Rickey Henderson homered, tripled, singled and stole two bases in Oakland as the A's ended a three-game losing streak.

Welch gave up five hits in eight innings, becoming the first 12-game winner in the major leagues.

White Sox 2, Angels 0: In Anaheim, California, Greg Hibbard combined with Bobby Thigpen on the shutout and Carlton Fisk homered as Chicago stretched its winning streak to five games.

Indians 10, Brewers 5: Brook Jacoby homered and drove in a career-high five runs as Cleveland split the four-game series in Milwaukee.

Jacoby, who went four-for-five, hit a two-run homer in the fourth, an RBI single in the sixth and a two-run single in the seventh.

Twins 9, Rangers 1: In Minneapolis, Scott Erickson pitched six strong innings in his major-league debut and Kirby Puckett hit a three-run homer for Minnesota.

Erickson, the former University of Arizona star called up by the Twins last week, scattered four hits, walked two and struck out four.

(AP, UPI)

BASEBALL ROUNDUP

SIDELINES

Flutie Signs 'Unique Deal' in CFL

VANCOUVER, British Columbia (AP) — Doug Flutie, the 1984 Heisman Trophy winner, has signed a one-year contract, with an option year, with the British Columbia Lions of the Canadian Football League. The deal includes a two-year personal services contract with the team's owner, Murray Pezim.

"I worked some unique contracts in the past, especially with the USFL," Flutie said. "We have another unique deal here." Terms of the contracts were not disclosed, but Pezim said his business deal with the former Boston College star quarterback would include the marketing of a product that allows personal computers to function as fax machines.

Oilers' Kurri Seeks to Play in Italy

EDMONTON, Alberta (AP) — Jari Kurri of the Edmonton Oilers says that he is close to signing a multiyear contract to play hockey in Italy next season.

"I'm waiting for them to put it together, we just have to finalize some things," Kurri said Monday from his home in Helsinki.

Kurri's contract with the Oilers of the National Hockey League expires in five days. He and his agent, Don Baizley, are negotiating with the Milan Devils for a deal that would reportedly make Kurri the highest-paid player in Europe. Kurri said a deal "should be done by the first or second week of July for sure."

AP

Kurri: Waiting to finalize deal.

Angels' Charges Over Winfield Aired

NEW YORK (NYT) — Fay Vincent, the commissioner of baseball, has held a formal hearing into tampering charges against the New York Yankees and promised a decision "reasonably soon" on the allegations brought by the California Angels.

The Angels charged that the Yankees had tampered with Dave Winfield after having traded the outfielder to the Angels on May 11. Winfield did not join the Angels until May 17, after agreeing to a three-year contract extension worth $9.1 million.

NFL Players Seek Licensing Fees

NEW YORK (AP) — The National Football League Players Association has filed a multimillion-dollar federal lawsuit charging the NFL, the NFL Management Council and NFL Properties Inc. with withholding licensing fees from the union.

The NFLPA is seeking a permanent injunction, treble damages and punitive damages of at least $10 million for each violation of federal antitrust laws and state common law. The suit was filed Monday.

For the Record

Eiji Ochiai and Katsuhito Osaka pitched a five-hitter as Japan defeated the United States, 8-2, on Tuesday in Tokyo, clinching the annual best-of-five-game college series. Japan also won the first two games. *(AP)*

Baseball Hall of Famer Roy Campanella, 68, suffering from respiratory difficulties, has been readmitted to a hospital in Los Angeles for testing. He was hospitalized for nearly four months earlier this year due to complications from diabetes. *(AP)*

The trial of promoter Don King's lawsuit against heavyweight champion James (Buster) Douglas, which was to begin Tuesday in New York, has been delayed by the judge until next Monday because The Mirage casino, a co-defendant, has changed lawyers. *(UPI)*

The National Collegiate Athletic Association is investigating recruiting practices at the University of Texas-El Paso involving a star high school basketball player, John Staggers, who was brought into the school's program without having graduated from high school. *(AP)*

BOOKS

LANTERN SLIDES

By Edna O'Brien. 224 pages. $18.95. Farrar, Straus & Giroux, 19 Union Square West, New York, N. Y. 10003.

Reviewed by Herbert Mitgang

EDNA O'BRIEN'S distinctive stories flirt with love. Her heroines are vulnerable and universal, recovering from broken hearts or about to embark on new misalliances. To an O'Brien character, love is "that bulwark between life and death." Often, the storm-tossed bulwark washes out to sea and disappears beyond the horizon.

In O'Brien's latest array of short stories, "Lantern Slides," her heroines are women in London or outside Dublin enmeshed in the lives of their families and guilt-ridden by the strictures of their church. When a love affair fails to ripen into marriage, an O'Brien character reflects: "We were sad and utterly understanding, the way people are in such situations. Ours was a small tragedy in comparison with the big ones, the world gone off the rails, righteous chants of madmen, rapine, pillage; ordinary mortals, feeling as insignificant as gnats."

One of her tender heroines believes it's the reverse of nature: "First it fruits, then it flowers, then it seems to wither, then it goes deep, deep down into its burrow, where no one sees it, where it is lost from sight, and ultimately people die with that secret buried inside their souls."

An unnamed small town in Ireland comes under the author's keen flensing blade. In her story, "'Oft in the Stilly Night,'" she cuts through the blubber of surface equanimity to reveal the restless souls in a somnolent village.

Its women dream of a different destiny. An admiring reader may have encountered some of them before in O'Brien's trilogy, "Country Girls," "The Lonely Girl" and "Girls in Their Married Bliss."

"The effect when you first enter is of a backwater where souls and bodies have fallen prey to a stubborn tedium," she writes of the village. "You would not suspect that in the big house with the wrought-iron gateway and the winding overgrown avenue a wife went a little peculiar, lost her marbles. It is said that it was her sister's fault, her sister, Angela."

Angela has left the convent and come to live with her married sister. When the husband sees her for the first time in a secular outfit, playing the piano and singing "Oft in the Stilly Night," he becomes enamored.

And, as the author comments, "Anything can happen to three people who languish in a house, a big house, a damp house, a house with gongs on the kitchen wall and many dank passages which could do with a lick of paint but for a chronic shortage of money."

In "Dramas," a gay grocer arrives in town, tickling the women and making the men suspicious of someone who breathes life into the people's dull routine. The women admire his clean new store and its exotic choices of food; he leans over the counter, discusses knitting and patterns they can make, listens to their tales and keeps an open tin of round biscuits for them in case they feel peckish.

Then he decides to put on a play, using the townspeople as actors, with embarrassing results. The story suggests that this narrow-minded town wishes only to return to its torpor.

What distinguishes the stories in "Lantern Slides" is their lyrical voice and heartfelt pulsations. Her women engage not in battles but in skirmishes with their men; they pay tokens of kindness only to find sobering destinations at the end of their line.

Herbert Mitgang is on the staff of The New York Times.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	THE BURDEN OF PROOF, by Scott Turow	1	2
2	MESSAGE FROM NAM, by Danielle Steel		1
3	OH, THE PLACES YOU'LL GO! by Doctor Seuss	2	18
4	THE STAND, by Stephen King	4	7
5	SEPTEMBER, by Rosamunde Pilcher	3	10
6	DRAGON, by Clive Cussler	5	7
7	THE BOURNE ULTIMATUM, by Robert Ludlum	6	15
8	AN INCONVENIENT WOMAN, by Dominick Dunne	6	7
9	THE GOLDEN ORANGE, by Joseph Wambaugh	7	6
10	THE OUTLAWS OF MESQUITE, by Louis L'Amour	12	4
11	CLEAR AND PRESENT DANGER, by Tom Clancy	1443	
12	FAMILY PICTURES, by Sue Miller	9	7
13	SULLIVAN'S STING, by Lawrence Sanders		1
14	SKINNY LEGS AND ALL, by Tom Robbins	10	10
15	THE GOLD COAST, by Nelson DeMille	11	9

NONFICTION

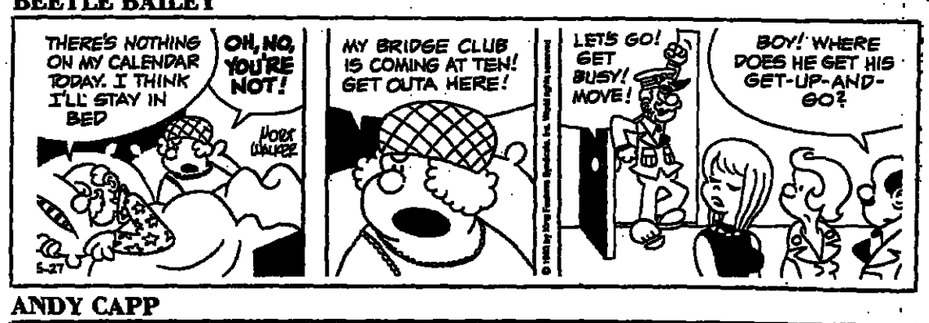
1	MEN AT WORK, by George F. Will	1	11
2	DAVE BARRY TURNS 40, by Dave Barry	2	4
3	DON'T SHOOT, IT'S ONLY ME, by Bob Hope with Melville Shavelson	3	3
4	MEGATRENDS 2000, John Naisbitt and Patricia Aburdene	5	22
5	FATHER SON & CO., by Thomas J. Watson Jr. and Peter Petre	14	3
6	IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum	7	40
7	BARBARIANS AT THE GATE, by Bryan Burrough and John Helyar	4	22
8	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum	6	85
9	PERIL AND PROMISE, by John Chancellor		1
10	HEAD FIRST, by Norman Cousins	13	20
11	LIAR'S POKER, by Michael Lewis	9	33
12	LEGACIES, by Bette Bao Lord	10	8
13	MEANS OF ASCENT, by Robert A. Caro		13
14	IN THE ARENA, by Richard Nixon	8	9
15	THE SEARCH FOR MODERN CHINA, by Jonathan D. Spence	12	2

ADVICE, HOW-TO AND MISCELLANEOUS

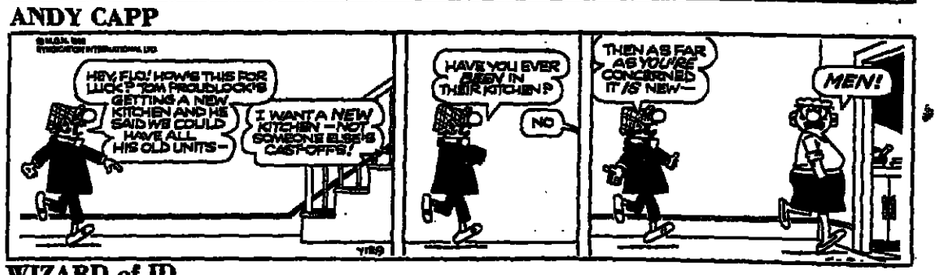
1	WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY (Merriam-Webster)	1	181
2	WEALTH WITHOUT RISK, by Charles J. Givens	3	71
3	THE GREAT WALDO SEARCH, by Martin Handford	2	28
4	WEBSTER'S NEW WORLD DICTIONARY (Simon & Schuster)	4	25
5	BEWARE THE NAKED MAN WHO OFFERS YOU HIS SHIRT, by Harvey Mackay	5	18

PEANUTS

BEETLE BAILEY



ANDY CAPP

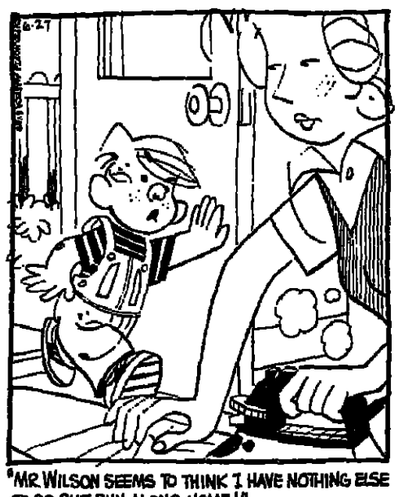


DOONESBURY

WIZARD of ID

REX MORGAN

DENNIS THE MENACE



"MR. WILSON SEEMS TO THINK I HAVE NOTHING ELSE TO DO BUT RUN ALONG HOME!"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

CHARN

EDDIC

NUTBOT

TYFARC

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ○○○○ ○○○○○○

(Answers tomorrow)

Yesterday's Jumbles: CHIME PANSY FLEECE TRICKY
Answer: Might be enough to turn your hair white suddenly!—LATHER

BLONDIE

GARFIELD

SPORTS

VANTAGE POINT/Dave Anderson

Where's Andre Agassi?

New York Times Service

WHEN the first splash of cream sweetened the first dish of strawberries at Wimbledon, all of the world's best tennis players had gathered on the All England Club's grass courts for the world's best tennis tournament.

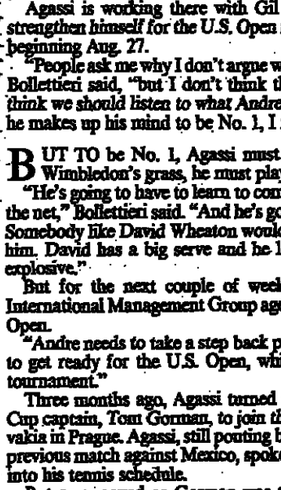
All except Andre Agassi.

For the third consecutive year, the mop-haired American has chosen not to enter Wimbledon after having been eliminated in his first match there by Henri Leconte of France in 1987.

"He was out," his coach, Nick Bollettieri, recalled, "before he hardly sat down."

He hasn't been back. Not two years ago when he won six tournaments and suddenly ascended to the world's No. 3 ranking. Not last year when he earned the No. 7 ranking. And not this year as the current No. 5 player, despite his loss to Andrés Gómez of Ecuador in the final of the French Open.

Now 20 years old, Agassi will spend the Wimbledon fortnight at his home in Las Vegas, jogging and lifting weights. But how can the Wimbledon dropout hope to be the No. 1 player if he doesn't even enter the No. 1 tournament?



AFP

Agassi: Never No. 1.

At the world-class level in any individual sport, the idea is to go for it, not shrink from it. To attain stature and respect, the best athletes must compete for the best titles.

James (Buster) Douglas would still be an obscure boxer if he hadn't challenged Mike Tyson for the heavyweight championship. Carl Lewis needed to win Olympic gold medals. Curtis Strange needed to win golf's U.S. Open.

But as the top-ranked American tennis player, Agassi is running and *lifting in Las Vegas instead of serving* and volleying at Wimbledon.

In the early years of open tennis, players had to win big titles in order to make big money. But even without a major title, Agassi has already earned more than $2 million in prize money, not to mention his off-the-court income, notably his multimillion-dollar Nike contract that was extended early last week.

Financially, Agassi can afford to skip Wimbledon again. His absence also averts the possibility of a quick-exit embarrassment that might dilute his off-court value. But as a tennis player, Agassi is delaying his tennis education. The longer he waits to return to Wimbledon, the longer until he wins there. Or even plays well there.

For all of Ivan Lendl's top-seeded stature, he's still trying to win Wimbledon. And until he does, he won't be completely accepted by tennis purists as the world's best.

In spurning the last three Wimbledon tournaments, it's as if Agassi spurned three compulsory courses while trying to attain a college degree. In tennis, there's no substitute for the compulsory course known as the Wimbledon fortnight. Winning other tournaments won't prepare him for Wimbledon; only Wimbledon will prepare him for Wimbledon.

But those around Agassi support his decision, although others suspect that their roles would be jeopardized if they were to ruffle his feathers.

Bollettieri, his coach, talked of how Agassi "really loves going home" between tournament commitments, to Las Vegas, where he grew up.

Agassi is working there with Gil Reyes, his conditioning coach, to *strengthen himself for the U.S. Open in Flushing Meadows in New York,* beginning Aug. 27.

"People ask me why I don't argue with Andre, why I do this or do that," Bollettieri said, "but I don't think they know Andre like I do. I really *think we should listen to what Andre feels. He's high-strung. As soon as* he makes up his mind to be No. 1, I feel he will be No. 1 very quickly."

BUT TO be No. 1, Agassi must play well at Wimbledon. And on Wimbledon's grass, he must play differently.

"He's going to have to learn to come in on his serve, to volley better at the net," Bollettieri said. "And he's going to have to play a lot of doubles. Somebody like David Wheaton would be a wonderful doubles parter for him. David has a big serve and he loves to serve and volley. David is explosive."

But for the next couple of weeks, according to Bill Shelton, his International Management Group agent, Agassi is gearing up for the U.S. Open.

"Andre needs to take a step back physically," Shelton said. "He needs to get ready for the U.S. Open, which he feels is the most important tournament."

Three months ago, Agassi turned down a request by the U.S. Davis Cup captain, Tom Gorman, *to join the team for its duel with Czechoslo*vakia in Prague. Agassi, still pouting because he hadn't been selected for a previous match against Mexico, spoke of how the Prague match didn't fit into his tennis schedule.

But as annoyed as Gorman was then, the Davis Cup captain questioned Wimbledon's value to Agassi now.

"I think it would do Andre more harm than good if he played Wimbledon now," Gorman said. "He doesn't want to be there. It would be counterproductive.

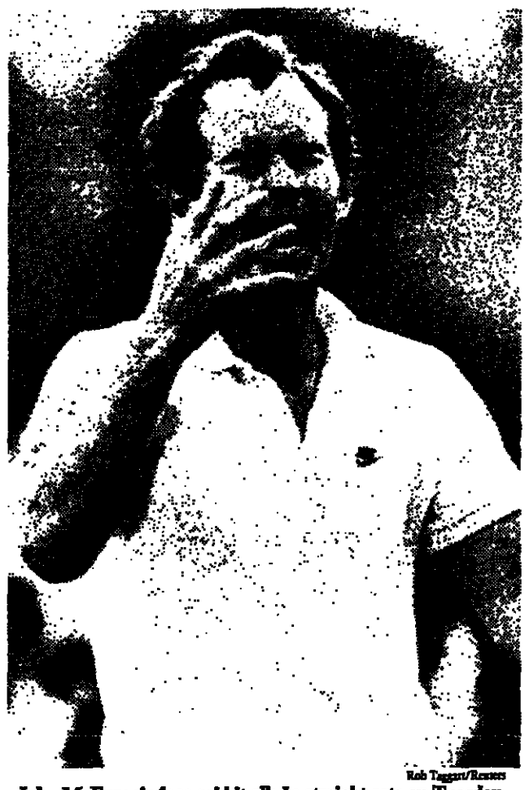
"I remember when Bjorn Borg was a young player at Wimbledon; everybody was dying to play him in the first round because he just wasn't into it. He just didn't have the confidence and the comfort there."

Even as the French Open champion in 1974, Borg didn't get to the round of 16 at Wimbledon in 1974 after having lost in the 1973 quarterfinals. In 1975, he again lost in the quarterfinals. But in 1976, the slender Swede won his first of five consecutive Wimbledon titles.

"We're going to wait until after Wimbledon to choose the team for our next match, with Austria in Vienna in September," Gorman said. "I've come to understand that Andre is his own man.

Roy Lackey/The Associated Press

McEnroe Defeated in First Round As 5 Men's Seeds Are Eliminated



Rob Taggart/Reuters

John McEnroe's face said it all: In straight sets on Tuesday, Derrick Rostagno, left, sent the three-time champion and fourth seed to his earliest defeat at Wimbledon since 1978.

The Associated Press

WIMBLEDON, England — John McEnroe was blown out of Wimbledon on Tuesday, his earliest exit since 1978 from the tournament he has won three times, as four other men's seeded players were also upset in their first-round matches.

McEnroe, 31, showed some of his old temper but not his old tennis. He argued line calls but hit too few lines and was dumped by another American, Derrick Rostagno, who is ranked 129th in the world, 7-5, 6-4, 6-4.

A semifinalist at Wimbledon last year and seeded fourth this time, McEnroe showed his age. Rostagno won three games in a row to go up, 3-1, in the first set and, although McEnroe battled back to lead by 5-4, he never mounted a serious challenge.

A year ago, McEnroe came back from two sets down to beat Darren Cahill in the first round.

Also out were the sixth-seeded Tim Mayotte and the 12th-seeded Pete Sampras of the United States; the fifth-seeded Andrés Gómez of Ecuador, the French Open champion, and the 14th-seeded Petr Korda of Czechoslovakia.

The battle for women's supremacy began as well, with the top-seeded players, Steffi Graf, Martina Navratilova and Monica Seles, turning in impressive performances. Jennifer Capriati, the 14-year-old American sensation, started well too, but the big act was a flop.

McEnroe, who has given Wimbledon some of its best tennis and most vile outbursts, was gone in 2 hours 21 minutes.

Rostagno won it on speed and shot selection, always keeping the ball a half-step ahead of McEnroe. When McEnroe hit a backhand return into the net on match point, Rostgano, who took Jimmy Connors to five sets here two years ago and had two match points on Boris Becker at the U.S. Open last year, finally completed a major upset.

As Rostagno beamed, a sullen McEnroe gathered his gear, brushed past a ballboy, bowed to the royal box and stalked off the court.

Graf, the No. 1 women's player for the last two and a half years but whose dominance has been shaken recently, beat a West German compatriot, Claudia Porwik, 6-1, 6-2.

Navratilova, at 33 a relative ancient in the youth-filled women's game, began her quest for a record ninth title with a 6-1, 6-1 victory over Sophie Amiach of France.

Seles, the 1990 French Open winner, won *the final 10 games* to beat Maria Strandlund of Sweden, 6-2, 6-0. Zina Garrison of the United States, seeded fifth, also won in straight sets, 6-2, 6-1, over Samantha Smith of Britain.

Stefan Edberg of Sweden, a former champion seeded third this year, bounced back from early trouble to beat Brod Dyke of Australia, 4-6, 6-1, 6-3, 6-1.

But Gómez was eliminated by Jim Grabb of the United States, 6-4, 6-2, 6-2. The Ecuadoran said he was tired and unprepared for the switch from clay to grass.

Also out was Mayotte, a quarter-*finalist last year but a first-round* loser this time to Gary Muller of South Africa, 4-6, 7-6, 7-5, 6-3. Sampras, an up-and-coming challenger who won a Wimbledon warm-up last weekend, was eliminated by the more experienced Christo van Rensburg of South Africa, 7-6, 7-5, 7-6. Korda was ousted by Gilad Bloom of Israel, 6-0, 6-4, 4-6, 6-2.

So McEnroe's ouster could be viewed as just another bad match on a bad day for top players. But whenever McEnroe is involved, it is not just another match, especially at Wimbledon.

Rostagno broke for 2-1 on a wide half-volley by McEnroe and made it 3-1 before McEnroe began a comeback. Slipping and sliding on *the lush turf, he registered his lone* break to make it 4-4 and held serve for 5-4. But Rostagno broke back at love for 6-5 and served out the set on a passing shot.

At 2-1, 30-30, McEnroe sent a service return long and argued that the serve had been a fault, even though the electronic line machine had not called it. The umpire, Steven Winyard, asked the service judge what she thought. She said the ball was long. Winyard ordered the first serve to be replayed, and it was back to deuce instead of advantage Rostagno.

Cahill revisited? Not this time.

McEnroe went quickly. Rostagno broke again for a 3-2 lead on a forehand passing shot down the line and — after double-faulting at 40-15 in the 10th game — closed it on McEnroe's netted return.

"I didn't play 10 years ago so it's hard to tell how he was, but he was definitely in my dreams," Rostagno said.

For ATP, a Fury Over Appearance Fees

By Sally Jenkins
Washington Post Service

LONDON — Andre Agassi made $175,000 for appearing in a tournament in San Francisco earlier this year. When he won it, he made another $34,500. Supporters call this a contract, detractors call it a bribe. It is more commonly known as a guarantee, and it is the most hotly debated issue in men's tennis, one that some say may threaten the competitive integrity of the Association of Tennis Professionals tour.

There are purists and there are realists, and then there is the ATP, *which is caught in a rhetorical* windstorm. Some tournaments barred from paying guarantees by the ATP are doing so anyway, according to sources. And the ATP, which oversees the men's tour, has paid players to appear in events despite its ban on the fees, the association's chief executive officer, Hamilton Jordan, acknowledged.

"In a perfect world, there would be no guarantees in our sport," he said. "But it isn't a perfect world."

Guarantees have long been an unspoken part of tennis. In 1983, Guillermo Vilas, then ranked No. 3 in the world, was suspended for a year for accepting $60,000 to play in a tournament in Rotterdam.

The ATP has attempted to bring the practice into the open by permitting 54 of its 78 events to offer guarantees. The rational was that this would allow smaller tournaments to attract top stars that they otherwise could not. The ATP guarantees that six of the top 10 players will play in the upper echelon events, which have larger purses. Therefore, these events are not allowed to pay guarantees.

Critics charge that the ATP has unwittingly erected a skewed system in which a player can collect an exorbitant guarantee — sources say top players command from *$100,000 to $220,000* — and lose in the first round without dropping in the rankings.

This is possible because of an-*other controversial ATP regula*tion, the "Best 14" rule, which stipulates that a player's ranking be decided on the basis of his best 14 events, allowing him to discount ignominious losses.

"It begs for people to cheat," Arthur Ashe said.

A long-term effect may be the unraveling of the ATP's ability to *enforce its rules. There is strong* evidence that some of the top echelon, or Championship Series, events are paying guarantees.

Jordan acknowledged that the ATP had heard reports of under-the-table payments and said that the organization was investigating one such case.

"We probably have some tournaments that don't think we're serious about it," Jordan said. "If that's going on, it's a serious violation. Our rule is unequivocal: It's not allowed."

But the body' voice on the subject is potentially undermined by the fact that in four instances it paid fees of $20,000 to $25,000 for players to appear in tournaments in *which guarantees were not permit*ted: to Emilio Sánchez in Brussels, to Jay Berger and Andrei Chesnokov in Barcelona and to Carl-Uwe Steeb in Rome.

Jordan said these were "emergencies," when sudden withdrawals or injuries left the fields shy of promised quotas. He said the money came from the ATP's general budget and was paid only when a player was asked to play beyond his normal commitments.

'In a perfect world, there would be no guarantees in our sport. But it isn't a perfect world.'
Hamilton Jordan, ATP chief

NYT

Some view it as alarming that the *ATP is compelled to pay players to* shore up events. The long-term implication might be that players will regularly seek exorbitant fees.

At the heart of the morass lies a familiar issue: player reliability. A chief reason that guarantees exist is because players have a history of not honoring commitments. John McEnroe, Ivan Lendl, Mats Wilander, Boris Becker and Stefan Edberg have played sparingly this season. Tournament directors and sponsors, burned time and again, seek to tie down unreliable stars with appearance money.

No one disputes that the ATP *has done much good since it took* over a fragmented, highly politicized sport from the Men's Tennis Council last summer. The circuit *now has slick marketing*, a prestigious sponsor in IBM, a lucrative television package and a dramatic 84 percent increase in prize money.

But the issues of guarantees and player reliability crystallize the problems that the association faces.

"The real test is going to come in those events that are putting up a load of money, where the sponsors are saying, 'We've got the money, we've got the TV, now the players damn well better show up.'" Ashe said. *"That's where the ATP is go*ing to make it or not, in trying to make sure the players fulfill their obligations. A lot of people are bet*ting a lot of money they'll show."*

When a rash of upsets occurred in the first three ATP events in North America this year — Edberg, Brad Gilbert and Michael Chang suffered early-round losses after accepting allowable guarantees — the ATP found itself in a credibility crisis. No one accused Gilbert, Chang or Edberg of giving less than his best, but even supporters of guarantees do not dispute that upsets could become suspect.

At a recent meeting of North American tournament directors at the ATP offices in Florida, there was a consensus that upsets had become suspect, even though statistics show that there have not been an unusual number of them this season. The directors agreed that adjustments in the Best 14 rule be considered for next year.

But mere tinkering may not be enough for the most vocal purists. Tony Trabert, who won the French Open in 1954 and 1955 and is now a CBS analyst, said he has seen evidence of tanking and maintains that the current system makes every match suspect.

"I personally think it's very dangerous," he said. "If you know someone gets a guarantee and he loses early, they're automatically suspect. I also think it's wrong for a guy to lose and make more money *than the guy who wins the tourna*ment.

"I have seen players go in the tank just because they got a bad call. I've seen some of the very good players give you less than their best. I'd just like the feeling that when I walk out of a stadium I've seen guys give it their best shot. That's not much to ask."

Ashe argued that when a player receives a guarantee, the natural burdens of pressure in a match shift. If a player knows he will earn $100,000 — win or lose — and another player knows he will receive $35,000 only if he wins, the circumstances are not equal.

"The crowd wants to see excellence, a struggle," he said. "Billie Jean King used to say, 'You don't get paid to play, you get paid to win.' Right now they're getting paid to play. That's wrong. Those wins and losses are tainted. They *all have an asterisk next to them."*

But is there anything wrong in principle with extending a guarantee? Jordan thinks not. Tennis is a *sport in which there is not much* depth, and the demand of tournaments greatly exceeds the number of star players to go around. A big name can mean a vast increase in ticket sales and television revenue.

But the ATP had other reasons for allowing guarantees. The appearance fee and Best 14 rules are largely protectionist measures, attempts to coax players into playing tour events rather than the numerous lucrative exhibitions and renegade tournaments that compete with the tour. The thinking was that players would play more, thus providing stronger fields and allowing *small events to survive.*

But Ashe contended that problems arise from the inconsistency of forbidding guarantees *in the up*per-tier events. *He said that* the ban could cause players to favor the lesser events — in which they are assured of money — while undermining the quality of the supposedly more important upper-tier events. He also suggested that it perpetuates a lesser hypocrisy.

"It's either morally incorrect or it isn't," Ashe said.

Tournament directors do not help their own cases in the long term by paying spiraling fees under the table, said Bob Briner, a founding director of the ATP and a ProServ executive. A better answer would be to band together and outlaw all guarantees, he suggested.

"Someone has to look the top players in the eye," he said. "They ought to suck it up and just do it."

Jordan said that the problems may be corrected by the marketplace, by media scrutiny and by peer pressure. But he said it was too early to make a fair assessment.

Most tennis figures, including Ashe and Trabert, agree that the ATP has made valuable changes and that with some adjustments the tour can work. A rapprochement between disaffected players and ATP officials, a more equitable distribution of prize money in relation to guarantees and a remodeled rankings system would quiet much of the criticism.

"Toward the end of the year, we'll take a look," Jordan said. "Is it working, are guys tanking? We'll look at all those things and make a decision."

"Frankly," he added, "there's a general feeling that things are going reasonably well. We have some problems we anticipated and some we didn't. Things aren't perfect."

Regardless of what shape ATP rules take, it is not likely that guarantees will go away. They always have been a part of tennis, and many other games.

If they evoke such bitter dispute, said Bill Shelton, who manages Andre Agassi, it is because "a lot of people don't like to hear the truth."

"The truth," he added, "hurts."

"First World Conference Of US Citizens Abroad"

On July 5 and 6, in Paris, more than 200 US citizens abroad will come together from countries as diverse as Singapore, Brazil, Israel, Nigeria, Saudi Arabia and the nations of Europe to dialogue with US Congressmen and high-level representatives of the State Department, Treasury and other US Government agencies about issues such as TAXATION, VOTING, CITIZENSHIP, EDUCATION, MEDICAL CARE and COVERAGE, and GENERAL US GOVERNMENT POLICY TOWARD ITS CITIZENS LIVING ABROAD.

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and help us tell policy-makers where change and improvement is needed!
Thank you.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	40	29	.580	—
Toronto	41	31	.569	½
Cleveland	33	35	.485	6½
Milwaukee	32	36	.471	7½
Detroit	34	39	.466	8
Baltimore	31	39	.443	9½
New York	29	42	.373	14
West Division				
Oakland	44	25	.638	—
Chicago	42	25	.627	1
California	37	35	.514	8½
Seattle	35	37	.486	10½
Minnesota	34	36	.486	10½
Texas	31	40	.437	14
Kansas City	29	39	.426	14½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	40	28	.588	—
Montreal	41	30	.577	½
New York	37	29	.561	2
Philadelphia	34	34	.500	6
St. Louis	29	41	.414	12
Chicago	29	43	.403	13
West Division				
Cincinnati	44	23	.657	—
San Diego	34	33	.507	10
San Francisco	35	35	.500	10
Los Angeles	35	35	.500	10½
Houston	29	41	.414	16½
Atlanta	26	42	.382	18½

Monday's Line Scores

AMERICAN LEAGUE

Texas 000 001 000—1 4 1
Minnesota 000 004 01x—2 12 0
Jefficoat, Moyer (4) and Petrelli; Jo. Russell (5); Erickson, Candelaria (7) and Ortiz. W—Erickson, 1-0. L—Jefficoat, 1-3. Sv—Candelaria (3). HRs—Minnesota, Puckett (10), Mack (3).

Toronto 222 000 001—5 10 1
Boston 010 001 20x—10 13 1
Stieb, Blair (1), D. Ward (6) and Myers. Borders (8); Kiecker, Lamp (2), Murphy (7), Gray (8), Reardon (9) and Pena. W—Lamp, 1-2. L—Blair, 8-5. Sv—Reardon (11). HRs—Toronto, Olerud (8), Gruber (19). Boston, Jo. Reed (3).

Cleveland 000 203 410—10 13 2
Milwaukee 030 000 002—5 8 1
Candiotti, Orosco (9) and Alomar; Bosio, Mirabella (7), Sabra (7), Crim (8), Plesac (9) and Surhoff. W—Candiotti, 8-3. L—Bosio, 4-6. HRs—Cleveland, Jacoby (9). Milwaukee, Porter (8), Deer 2 (12).

Detroit 010 020 000—3 5 1
Oakland 130 000 03x—4 7 0
Petry, Henneman (8) and Heath; Welch, Eckersley (9) and Hassey. W—Welch, 12-2. L—Petry, 5-5. Sv—Eckersley (23). HRs—Detroit, Whitaker (10). Oakland, R. Henderson (12), Lansford (2).

Chicago 000 001 100—2 5 1
California 000 000 000—0 7 0
Hibbard, Thigpen (9) and Fisk; Langston, Harvey (9) and Parrish. W—Hibbard, 6-4. L—Langston, 4-8. Sv—Thigpen (24). HRs—Chicago, Fisk (6).

NATIONAL LEAGUE

San Francisco 000 100 010—2 5 0
Cincinnati 200 101 02x—5 7 0
Burkett, Bedrosian (6), Vosberg (8) and Kennedy; Armstrong, Myers (9) and Oliver. W—Armstrong, 10-3. L—Burkett, 7-2. Sv—Myers (14). HRs—San Francisco, Mitchell (18). Cincinnati, Berolzheimer (4).

Philadelphia 000 000 000—0 4 1
Pittsburgh 110 200 02x—5 4 0
DeJesus, Cook (4), Parrett (8) and Daulton; R. Reed and LaValliere. W—R. Reed, 1-0. L—DeJesus, 0-1.

Los Angeles 302 000 000—5 11 1
Atlanta 100 000 010—2 8 0
R. Martinez and Scioscia; Leibrandt, Hesketh (9) and Kramers. W—R. Martinez, 9-3. L—Leibrandt, 2-1. HR—Atlanta, Gant (15).

Montreal 000 200 500—7 10 0
Chicago 001 011 000—3 7 1
Gardner, Samuen (7) and Santovenia; Boskie, Assenmacher (7), Lancaster (7), Kraemer (9) and Girardi. W—Gardner, 4-3. L—Boskie, 2-4. Sv—Samuen (1). HRs—Montreal, Santovenia (5). Chicago, D. Smith (4), Wynne (3).

New York 101 000 001—3 10 0
St. Louis 010 001 00x—2 5 2
Cone, Franco (9) and Mercado, Sasser (9); Tudor, La. Smith (8) and Zeile. W—Cone, 4-4. L—La. Smith, 1-2. Sv—Franco (13). HRs—New York, Carreon (8).

San Diego 000 002 001—3 7 1
Houston 012 100 00x—5 9 0
Benes, Show (6) and Parent; Scott, Agosto (6), Andersen (8), D. Smith (9) and Gedman. Trevino (7). W—Scott, 5-7. L—Benes, 6-5. Sv—D. Smith (15). HRs—San Diego, Parent (1), Lynn (5).

Japan Baseball

Central League

	W	L	T	Pct.	GB
Yomiuri	38	24	0	.613	—
Taiyo	29	28	2	.509	4½
Chunichi	29	30	1	.492	7½
Hiroshima	29	30	1	.492	7½
Yakult	26	32	0	.448	10
Hanshin	27	34	0	.443	10½

Pacific League

	W	L	T	Pct.	GB
Seibu	37	19	1	.661	—
Orix	34	23	2	.425	3
Nippon Ham	30	26	0	.536	7
Kintetsu	26	29	1	.473	10½
Lotte	20	29	1	.410	13½
Daiei	15	39	3	.296	21

TUESDAY'S RESULTS

Yakult 1, Yomiuri 0
Chunichi 3, Taiyo 2
Hiroshima 7, Hanshin 2
Seibu 3, Orix 2
Daiei 9, Nippon Ham 2
Kintetsu 4, Lotte 5

TENNIS

Wimbledon

FIRST ROUND

Men's Singles

Mark Kratzmann, Australia, def. Cassio Motta, Brazil, 6-2, 6-1, 6-3; Miloslav Mecir, Czechoslovakia, def. Tomas Carbonell, Spain, 6-4, 6-4, 6-1; Jim Grabb, U.S., def. Andres Gomez (5), Ecuador, 6-4, 6-2, 6-2; Udo Riglewski, West Germany, def. Veli Paloheimo, Finland, 6-4, 7-5, 7-5; Alex Antonitsch, Austria, def. Michael Robertson, South Africa, 7-6 (7-2), 6-4, 3-6, 4-6, 6-4; Jason Stoltenberg, Australia, def. Todd Woodbridge, Australia, 6-3, 7-5, 7-6 (7-2); Sergio Bruguera, Spain, def. Andrew Castle, Britain, 6-7 (2-7), 6-4, 6-3, 6-1; Jim Pugh, U.S., def. Jan Gunnarsson, Sweden, 6-3, 1-6, 5-7, 6-3, 6-4; Mark Koevermans, Netherlands, def. Chris Bailey, Britain, 6-4, 6-4, 6-2; Mark Woodforde, Australia, def. John Fitzgerald, Australia, 7-5, 6-2, 6-4.

Gary Muller, South Africa, def. Tim Mayotte (6), U.S., 4-6, 7-6 (7-1), 7-5, 6-3; Milan Srejber, Czechoslovakia, def. Richey Reneberg, U.S., 6-7 (6-8), 3-6, 7-6 (7-4), 6-3, 6-2; Bryan Shelton, U.S., def. Thomas Hogstedt, Sweden, 7-6 (7-3), 5-7, 7-6 (7-2), 6-4; Gilad Bloom, Israel, def. Petr Korda (14), Czechoslovakia, 6-0, 6-4, 4-6, 6-2; Stefan Edberg (3), Sweden, def. Broderick Dyke, Australia, 4-6, 6-1, 6-3, 6-1; Paul Chamberlin, U.S., def. Mark Petchey, Britain, 3-6, 6-3, 7-6 (8-6), 6-3; Christo van Rensburg, South Africa, def. Pete Sampras (12), U.S., 7-6 (7-4), 7-5, 7-6 (7-3); Derrick Rostagno, U.S., def. John McEnroe (4), U.S., 7-5, 6-4, 6-4; Johan Anderson, Australia, def. Nick Brown, Britain, 6-4, 6-2, 7-6 (14-12); Niclas Kroon, Sweden, def. Tarik Benhabiles, France, 6-3, 6-2, 5-7, 3-6, 6-3; Kelly Jones, U.S., def. Danny Sapsford, Britain, 6-3, 3-6, 6-4, 6-4; Michael Chang (13), U.S., def. Jose Francisco Altur, Spain, 5-7, 6-4, 6-3, 7-5.

Women's Singles

Nicole Provis, Australia, def. Veronika Martinek, West Germany, 6-1, 6-0; Zina Garrison (5), U.S., def. Samantha Smith, Britain, 6-2, 6-1; Julie Halard, France, def. Kathy Jordan, U.S., 7-5, 6-2; Rosalyn Fairbank (15), U.S., def. Renata Baranski, Poland, 6-2, 3-6, 6-2; Jana Novotna (12), Czechoslovakia, def. Laura Golarsa, Italy, 3-6, 7-6 (7-4), 6-2; Magdalena Maleeva, Bulgaria, def. Catarina Lindqvist, Sweden, 6-7 (3-7), 6-4, 6-2; Susan Sloane, U.S., def. Linda Ferrando, Italy, 1-6, 7-6 (7-5), 6-3; Martina Navratilova (2), U.S., def. Sophie Amiach, France, 6-1, 6-1; Regina Rajchrtova, Czechoslovakia, def. Audra Keller, U.S., 7-5, 6-7 (2-7), 6-4; Steffi Graf (1), West Germany, def. Claudia Porwik, West Germany, 6-1, 6-2.

Carrie Cunningham, U.S., def. Belinda Bonnes, Britain, 4-6, 6-2, 11-9; Donna Faber, U.S., def. Ramsa Stubbs, Australia, 5-7, 7-5, 8-6; Anne Minter, Australia, def. Julie Salmon, Britain, 6-2, 6-2; Claudia Kohde-Kilsch, West Germany, def. Mercedes Paz, Argentina, 4-6, 6-1, 6-1; Nicole Jagerman, Netherlands, def. Radka Zrubakova, Czechoslovakia, 6-4, 6-1; Amy Frazier, U.S., def. Isabelle Demongeot, France, 6-1, 6-4; Meredith Mcgrath, U.S., def. Elena Brioukhovets, U.S.S.R., 6-1, 6-2; Natasha Zvereva (11), U.S.S.R., def. Peanut Harper, U.S., 6-3, 6-3; Cecilia Dahlman, Sweden, def. Jennifer Santrock, U.S., 6-4, 6-1; Sara Gomer, Britain, def. Manuela Maleeva (8), Switzerland, 6-2, 6-3.

Gretchen Magers, U.S., def. Elizabeth Smylie, Australia, 6-1, 7-6 (8-6); Patty Fendick, U.S., def. Hu Na, U.S., 7-5, 7-5; Catherine Tanvier, France, def. Eva Sviglerova, Czechoslovakia, 6-2, 6-4; Alexia Dechaume, France, def. Naoko Sawamatsu, Japan, 7-5, 2-6, 6-3; Angelica Gavaldon, U.S., def. Jana Pospisilova, Czechoslovakia, 6-3, 7-5; Helena Sukova (10), Czechoslovakia, def. Manon Bollegraf, Netherlands, 7-5, 6-2; Rachel McQuillan, Australia, def. Raffaella Reggi, Italy, 7-6 (7-5), 7-6 (7-4); Lori McNeil, U.S., def. Katia Piccolini, Italy, 6-1, 3-6, 6-1; Karine Quentrec, France, def. Leila Meskhi, U.S.S.R., 3-6, 6-3, 6-2; Gigi Fernandez, Puerto Rico, def. Florencia Labat, Argentina, 6-2, 6-2.

Camille Benjamin, U.S., def. Sandra Cecchini, Italy, 6-3, 6-1; Anne Smith, U.S., def. Clare Wood, Britain, 6-3, 4-6, 6-2; Ann Grossman, U.S., def. Marylou Daniels, U.S., 6-2, 6-1; Nathalie Herreman, France, def. Anna Ivan, U.S., 7-5, 6-3; Terry Phelps, U.S., def. Belinda Cordwell, New Zealand, 6-2, 2-6, 6-2; Robin White, U.S., def. Nana Miyagi, Japan, 6-2, 6-1; Jennifer Capriati (12), U.S., def. Helen Kelesi, Canada, 6-3, 6-1; Dinky Van Rensburg, South Africa, def. Wendy Prausa, U.S., 6-2, 7-6 (8-6); Judith Wiesner (14), Austria, def. Sandra Wasserman, Belgium, 6-3, 6-0; Anke Huber, West Germany, def. Jo Durie, Britain, 7-5, 4-6, 6-2; Brenda Schultz, Netherlands, def. Arantxa Sanchez-Vicario (6), Spain, 1-6, 7-6 (10-8), 9-7; Heather Ludloff, U.S., def. Wiltrud Probst, West Germany, 2-6, 6-4, 7-5.

TRANSACTIONS

BASEBALL

American League

CLEVELAND—Put John Farrell, pitcher, on 15-day disabled list.

TEXAS—Put Jeff Kunkel, shortstop, on 15-day disabled list. Bought contract of Gary Green, shortstop, from Oklahoma City, American Association.

National League

ATLANTA—Fired Russ Nixon, manager, and Bruce Dal Canton, pitching coach. Named Bobby Cox manager and Leo Mazzone pitching coach. Activated Charley Kerfeld, pitcher, from the 15-day disabled list. Optioned Tommy Greene, pitcher, to Richmond, International League.

MONTREAL—Sent Marquis Grissom, outfielder, to Indianapolis, American Association on a medical rehabilitation assignment.

CRICKET

England vs. New Zealand
Test 2, Day 4, Tuesday
At Lord's, London

1st Innings: England 334 (all out); New Zealand 462-9 (declared).
2nd Innings: England 272-4
Test declared a draw

OBSERVER

Two Summer Places

By Russell Baker

NANTUCKET, Massachusetts — We started coming to this island in the summertime 25 years ago because it was beautiful, oceanic and hard to get to, but within our price range, which was not extensive.

After a few summers of renting, we followed the usual route of fools and bought an ancient dilapidation, having persuaded ourselves, as those along the fools' route usually do, that it was cheaper to buy than rent.

The island of the 1960s was truly insular. Many Nantucketers still referred to the mainland as "America." Those who traveled there were said to be "off-island." There were two kinds of people: "islanders" and "off-islanders."

Nathaniel Benchley satirized the quaintness of the place in his novel about a Russian submarine crew whose ship grounded on a Nantucket sandbar. Benchley titled his book "The Off-Islanders." Thinking the joke too subtle for the masses, Hollywood changed the movie version's name to "The Russians Are Coming, the Russians Are Coming."

Though you summered on the old Nantucket a lifetime and even lived here year round, one could be a Nantucketer only if born on native soil. With much patience, however, you could arrive, as it were, in Nantucket.

This did not happen to me until many years after we occupied our dilapidation. Across the street lived Maxwell Deakin, the agent destined to certify my arrival.

Mornings, walking downtown to buy the papers, I often caught up with him on the sidewalk, for he was considerably older than I and had lost a few steps. On passing him, I always murmured, "Morning, Mr. Deakin."

He, always in a polite, grave tone and clipped New England lilt, replied, "Mornin'." After 16 or 17 years of this ritual, I caught up with him one morning, nodded and uttered my usual, "Good morning, Mr. Deakin."

He turned, smiled and said, "You can call me Max." I had finally arrived in Nantucket.

The island boasted the occasional millionaire whose family had had an island summer place ever since grandfather was at Andover. These were Boston types and Philadelphia Main Line, many of them, and totally uninterested in New York or Washington.

They could be refreshingly rude, like the millionaire from Cincinnati who, learning that I was a newspaperman, couldn't resist telling me that he regarded everything about journalism, including its practitioners, as utterly contemptible.

In Nantucket you could not only be insulted the old-fashioned way, you could also rent a battered three-speed bicycle and skim off into the wind to a beach with not another soul on the horizon.

Evenings, with five or six friends you could pack a thermos of martinis, head for an empty, unruined moor, and reflect on the splendor of the whole amazing and beautiful planet while watching the sun set behind the town's spires.

A great deal of that Nantucket is now gone. During the Reagan years the island experienced an onset of decamillionaires; that is, people so rich they could spend a million dollars decorating a house that in 1965 might have sold for $25,000.

With them they brought not just their decorators, but also their personal airplane pilots, their cooks, their market advisers. Face-lifts became an industry at the hospital.

□

Restaurants with Manhattan prices sprang up. Tennis became intense. So did competitive eating, with all that boasting about cheese and imported lettuce. People began showing off with German cars and destroying the peace of the beach with four-wheel-drive vehicles heavily armored with rock 'n' roll.

The battered three-speed bike gave way to the $300 imported racer with 15 gears. The empty moors extruded grotesque houses seemingly designed for families with 18 children.

In short, the rich came to Nantucket in search of a refuge and turned it into the very world they were trying to escape. Such is the curse of the rich. Like Midas, they are doomed to destroy the fragile beauties they love by turning them into tonnages of gold.

Perhaps it's because, lacking the wisdom to spend money well, they decorate too much. Decorating an entire island is too much. If Nantucket could put a slogan on its license plates, I fear it would be: "Decorate and Die."

New York Times Service

For Jim Haynes, People Are Business

By Mike Zwerin
International Herald Tribune

PARIS — Jim Haynes introduced a New York poet to a Polish woman in Warsaw. In New York a few years later, she invited the poet to dinner. He said fine but could he bring his brother. The Polish woman is now married to the poet's brother. Haynes loves stuff like this.

A friend of his describes Haynes as a "switchboard," which suits him "just fine." Plugging people in is his calling. Ten years ago Haynes arrived in Prague and found that nobody he knew was in town. So he stopped a bearded intellectual type on the street and asked him if he was free for dinner. They are still friends. Haynes has thousands of "friends." Their names fill 16 Filofaxes covering five continents which an English editor once proposed publishing. (Haynes decided it "wouldn't be proper.")

He started "The Paperback," a paperback bookshop in Edinburgh in 1962. He is a book man through and through. And starting in February 1991, you will not have to call him to find somebody interesting in Budapest.

He is putting together a series called "People to People," which his publisher (Canongate, Edinburgh) describes as "exciting and forward-looking travel books for people who wish to meet like-minded people in the countries they choose to visit." Haynes hopes to "help transform tourists into travelers."

The key word is "involvement." A traveler participates in daily life, meets people, contributes something to the place he or she is visiting, learns from it. Tourists are uninvolved, they never meet anyone except people serving or selling them something. "A traveler partakes of an enriching exchange," says Haynes. "When he or she travels on, both the traveler and the host are sad. Hardly anyone knows or cares when a tourist leaves."

His ability to travel is considerably aided by the fact that he has what he calls "six and a half day weekends." He gets paid a full-time salary teaching "English for the Arts" one afternoon a week at the University of Paris. Because he has been traveling a lot in Eastern and Central Europe lately, and because there is such latent hunger for contact with the rest of the world, the "People to People" series begins with Poland and Hungary.

Each guide book will contain the name, address, telephone number, profession, languages spoken and birthdate of more than 1,000 individuals. There will be three indexes — occupation, languages and "passions" (gardening, ballet, stamp-collecting, jazz, etc.). Haynes's private address book includes ministers and movie stars, not exactly isolated people; the published volumes will list people without such international connections. They have all signed releases, and they will be, according to Haynes, "eager, more than just willing, to be contacted by foreigners."

Understanding this project and the uniqueness of the person behind it requires a clarification of "friend." Haynes uses what he calls a "loose" definition. Some call it "promiscuous." He is prepared to enter into a social relationship with "any human being if he or she is prepared to enter into one with me." He does not believe length of time is the only element necessary to build friendship.

He says he can get closer to some people in hours by meeting them in propitious circumstances (on a slow train from Katowice to Poznan, for example) and being intensely open to people in general than many relationships built selectively and cautiously step by step. This can create problems with women, who suspect he is interested in more than a handshake (he once had a publishing company called Handshake Publications). He says his love for women is only an aspect of his love for human beings.

"People 'protect' themselves," he says. "They're so afraid of being ripped off — emotionally, psychologically, financially — they close themselves off and never open up. I'm willing to take the risk of being rejected or ripped off. Maybe I talk to somebody who will 'exploit' me somehow, borrow money for example. Maybe I talk to somebody who doesn't want to be disturbed, then I bid them goodbye and leave. It's really not much of a risk either way, most people react positively, they are just too shy to take the initiative."

Haynes came to Paris in 1969 after being a director of the Arts Lab in London and now lives in a studio in Montparnasse famous for the number of "friends" who have crashed there. "The '60s are alive and well on Rue de la Tombe Issoire," says Haynes with a laugh. "Occasionally things have been stolen, but the benefits far outweigh anything negative. I went around the world a couple of years ago with a prepaid ticket. Everything was free, I was put up everywhere by friends. This woman sent me a ticket because I had once been kind to her in Paris and she was rich."

This sort of thing can be misinterpreted. Ulterior motives are suspected. Was he kind to this woman because she was rich? Haynes is sometimes regarded as superficial, corny or worse. He has been suspected of being a CIA agent. If this man with the genial smile, vulnerability, generosity and naive enthusiasm is indeed some sort of agent, it is an extremely friendly power.

A smile, he holds, can change history. Asked if he would smile at a Stasi torturer, he hesitates, shrugs and throws caution to the winds: "He's probably lonely, insecure and thinks nobody loves him. Think of all the people who are unpleasant because they don't have any tenderness in their lives. If a woman in a shop smiles at you it means she's getting a lot of hugs and affection. Does that sound naive? I'm sorry. I think it's our duty to try and transform scowls into smiles. Each smile is a tiny victory."

His newsletter, sent free to all the friends in his address book, is a collection of good news. Only wonderful and exciting things happen to him and his friends. They travel to interesting places, meet nice people, have fascinating adventures. Everybody loves everybody. How wonderful life can be. Not one negative adjective, not one unpleasant experience. "You look outside," he says. "It's raining. So you say good, the cows get milk and that produces ice cream and I like ice cream."

Aware that he is considered "silly" by some, he says there are worse things to be. He wrote what he proudly describes as a "silly" book some years ago called "Workers of the World Unite and Stop Working." Haynes does not work — he "Fullers." This comes from Buckminster Fuller, who wrote: "We should do away with the absolutely specious notion that everybody has to earn a living. . . . One in 10,000 of us can make a technological breakthrough capable of supporting all the rest. We keep inventing jobs because of this false idea that everybody has to be employed at some kind of drudgery."

With close to 100 letters a day currently passing through this Fullerholic's hands, there will soon be more travelers and fewer tourists in the world. And less drudgery and more friends.

Christian Rose

Jim Haynes at home: a friend calls him a "switchboard."

PEOPLE

It's Official: Vucanovich Is Hill's 1st Great-Gran

When Representative **Barbara Vucanovich** opened her morning newspaper the other day, she was astonished to read that another congresswoman, Representative **Lindy Boggs**, had just become the first great-grandmother in the 201-year history of the U.S. Congress. Not so. Vucanovitch's first great-grandchild, **Brendan Erquiaga**, was born on Thanksgiving Day 1987. "Reading that I'm the first great-grandmother in the history of Congress makes me feel more grand and less old," she said, "even though I had to wrest the title from my friend Lindy Boggs."

□

Marlon Brando's daughter, **Cheyenne**, has fled to Tahiti to avoid testifying against her half-brother, who is charged with murdering her boyfriend, a prosecutor said. Deputy District Attorney **Steven Barshop** told a judge Monday he will try to use a recently enacted California law to introduce previous statements from Miss Brando at a preliminary hearing for her half-brother, **Christian Brando**, 32. Miss Brando, who is eight months pregnant with the child of her late boyfriend, has gone to Tahiti and refuses to return, Barshop said. Miss Brando's boyfriend, **Dag Drollet**, 26, was shot to death May 16 at the elder Brando's estate. The actor was home at the time but was in a different part of the house, the police said. Christian Brando, who is being held without bail, admits shooting Drollet, but says it was an accident.

□

Major Peter Phillips, 69, father of **Princess Anne**'s estranged husband **Captain Mark Phillips**, has been fined £600 (about $1,000) and stripped of his driver's license for two years for drunken driving.

□

The hottest show in Moscow is medieval art from the Metropolitan Museum and the Art Institute of Chicago, which has people lining up for blocks around the Pushkin State Museum. It is the first in a round of art exchanges totaling four major exhibitions over five years. The exhibitions were organized by **Philippe de Montebello** at the Met, **James Wood** at the Art Institute, **Irina Antonova** at the Pushkin and **Boris Piotrovsky** at the Hermitage Museum in Leningrad, where the medieval exhibition goes next.

Today's

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Appears on page 4

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